SUPERMARKET BUSINESS

THREE DOLLARS
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VOLUME 38/NUMBER 2
FEBRUARY 1983

PRODUCE

BORN AGAIN
AT THE SUPERMARKET
AS AMERICA GOES FRESH

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SUPERMARKET BUSINESS

FORMERLY
SUPERMARKETING

VOLUME 38
NUMBER 2
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PAGE 9
PRODUCE:
BORN AGAIN AT THE SUPERMARKET AS AMERICA GOES FRESH

It seems that everyone is buying and eating fresh produce today, from hard hats to health nuts. Now, supermarkets have begun to move with the freshness trend. They're stocking up on more exotic, and more varied, produce than ever before.

PAGE 14
HOW THREE SUPERMARKETS DEMONSTRATE THEIR FRESH APPROACHES TO PRODUCE

With such once-exotic ethnic fare as bok-choy and tofu creeping into the vernacular, Giant has a whole new lingo.

Stop & Shop tells its customers not to be afraid to try something different in a consumer-awareness campaign featuring new vegetables and recipes.

Vons is introducing more varied and even ethnic produce into all of its stores.

PAGE 19
RECYCLING:
WILL REVERSE VENDING MAKE IT WORK?

For supermarket operators, the very idea of recycling is a pain. But there are some machines on the market that can help take the bottlenecks out of collecting, sorting and paying for returned cans.

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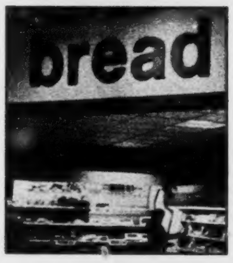
NON-FOODS BUSINESS
TELEPHONES:
WILL THE CUSTOMER CALL AGAIN?

Consumers are gradually becoming aware that they can purchase their own phones, and some supermarkets have started to sell telephones on promotions. It's a field with tough rivals, such as audio stores, but one that supermarkets might compete well in—while the demand for phones is still strong.



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GIANT'S NEW Rx:
FOOD IN A PHARMACY

Giant couldn't squeeze everything it wanted—a pharmacy and an expanded gourmet foods section—into its standard size supermarket in Arlington, Va., so it opened a free-standing pharmacy across the street with not only the usual drugstore fare, but gourmet foods.

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Moms Lend an Ear to Teenage Girls When Buying at the Supermarket

NEW YORK—Teenage girls are an important influence on a household's purchasing plans—mothers look upon them as "partners" in decision-making—according to a survey by Yankelovich, Skelly and White, Inc. for *Seventeen* magazine.

"Today's teenage girls are more than just 'mother's little helpers,'" explains Yankelovich vice president Ruth Clark. "With so many mothers working, teen daughters are often actual partners in managing the home. They may have little choice in the matter, but the fact is they're the ones who have the time to go out and do the buying," she adds.

Several product categories were examined and the strongest influence was found in the food area. The survey asked two questions: Whether the daughter's actions or ideas influenced the decision to purchase a product category, and whether she influenced the selection of the brand?

Eighty percent of the mothers surveyed reported that the household had breakfast cereal because the teenage daughter had either purchased it on her own, or because the mother had decided to buy it after the daughter had provided "opinions or information" to her.

When it came to the selection of which brand of breakfast cereal to buy, 80 percent of the mothers queried said that they were influenced by their daughter's input.

The survey measured the influence of teen daughters on the sales patterns of other food categories. It revealed that 62 percent of the mothers were influenced to purchase diet soft drinks and 59 percent reported that the brand bought was also affected by their daughter's input.

Teen-aged daughters' influence on the brand most often bought was found to be substantial in other product areas—toothpaste (64 percent), bar soap (51 percent), cake mix (51 percent), canned fruit (23 percent), cat or dog food (28 percent) and vitamins (22 percent).

The teenagers themselves consistently underestimated their influence on the buying habits of their households, according to the study. For example, while 80 percent of the mothers credited their daughters with influencing the choice of brand in breakfast cereals, only 63 percent of the teenagers claimed the same influence. ■

TEENAGE DAUGHTER'S TOTAL INFLUENCE ON PRODUCT PURCHASES

As Reported by Mother

Products Purchased In The Past Year	Total Influence	Daughter Influenced Purchase By Providing Opinions Or Information	Daughter Decided On Her Own To Purchase
Breakfast cereal	80%	78%	36%
Toothpaste	68	63	34
Diet soft drink	62	52	54
Cake mix	59	51	38
Bar soap	55	49	31
Canned fruit	30	27	15
Vitamins	27	24	12
Laundry detergent	21	17	12
Cat or dog food	35	29	27

SOURCE: Teenage Purchase Influence Study; Conducted by Yankelovich, Skelly and White for SEVENTEEN Magazine.

Second Harvest Food Banks Seek Supermarket Support

RESTON, Va.—The National Grocers Association (NGA) has begun a new information program to support the efforts of Second Harvest, a network of 44 food banks around the country that solicit and coordinate donations of unsaleable but still wholesome food from the food industry, for distribution to charitable organizations.

According to Thomas Zaucha, president of NGA, the program will consist of written appeals to its members to support local food banks; logistical support for state grocer's associations that are helping coordinate donations to food banks; and briefings for its members on how to run a successful food donation program.

Both the Food Marketing Institute (FMI) and the Grocery Manufacturers of America (GMA) are involved in similar programs with Second Harvest to encourage a greater involvement with food banks. At present, most donations to food banks come from grocery manufacturers. According to a recent survey by FMI, only 25 percent of all food retailers and wholesalers in the U.S. make donations to food banks.

Part of the reason that more help from supermarkets is needed is that the amount of requests to Second Harvest food banks from charitable organizations has gone up dramatically. In 1982, the amount of food distributed from member food banks has nearly doubled, according to Mary Titcomb of Second Harvest.

While this represents considerable progress in feeding the hungry, there is still much work to be done, say food bank directors. "In Maryland alone, there are 250,000 people living below the poverty line," says Ann Miller, director of the Maryland Food Bank, "In a typical month, we distribute about 500,000 pounds of food—that's only two pounds for every poor person."

The Government Accounting Office estimates that 137 million tons of food is wasted every year in the U.S., and almost half of that is salvageable. ■

More Supers Add Low-Sodium Canned Foods

EL MONTE, Calif.—The "reduced sodium" trend continues, with Vons Grocery Co. joining the growing number of supermarket chains and national food manufacturers offering no-salt-added canned foods. Vons has introduced private label corn, sliced beets, stewed tomatos and other vegetables. No-salt-added Vons tomato paste, tomato sauce and ketchup will roll out shortly.

Grocery retailers and wholesalers that have already introduced no-salt-added canned vegetable lines include The Stop & Shop Supermarket Co. (Boston), Jewel Food Stores (Melrose Park, Ill.), Super-Valu Inc. (Minneapolis) and Giant Food (Landover, Md.).

The Del Monte Corp. and The S.S. Pierce Co. both launched no-salt-added lines for national distribution this past fall.

According to a spokesman for Vons, the new no-salt-added products will be merchandised next to regular canned vegetables, a pattern followed by most other retailers of no salt added products. Giant Food, however, is temporarily merchandising no-salt-added canned vegetables together in a special display in the canned food section, according to Odonna Matthews, consumer advisor for Giant. After customers become familiar with the products, they will be merchandised next to regular canned vegetables. ■

National Advertising Starts for Generic Cigarettes

DURHAM, N.C.—The Gary Tobacco Company, a division of Liggett & Meyers, has begun a $3 million national advertising campaign for its generic cigarettes, which sell for 14 cents to 18 cents less per pack than regular brands.

It is the first ever national advertising campaign for a generic product.

The timing of the campaign coincides with the recent doubling of the federal excise tax on cigarettes, which, according to James Dowd, director of marketing, generic and private label products for Gary, will result in increased price sensitivity among smokers.

"We felt that this would be a great opportunity to make people aware that they have a choice in what they pay for cigarettes," says Dowd.

While generics have been sold to the consumer partly on the basis that they are unadvertised and therefore less costly, Dowd says that the campaign will not change the generic image of Gary's product. "The advertising will be educational and informational in content. We're not trying to establish a "brand" image for our product," he says.

NAME BRAND QUALITY WITHOUT THE NAME BRAND PRICE!
BUY THESE CIGARETTES AND SAVE!
CIGARETTES

Newspaper advertising is appearing in 55 major markets throughout the U.S. Another $3 million is being spent on cooperative advertising with supermarkets, which account for 80 percent of all Gary generic cigarettes sold. Trade acceptance of the co-op ads has been excellent, according to Dowd. "I'd say that 60 percent of the firms we contacted will be running the ads," he says.

With sales of $130 million annually, Gary's generics have captured over one percent of the U.S. cigarette market—and sales have yet to peak. Dowd reports that in December and January, Gary's generics reached a 1.35 percent share of the total cigarette market, and accounted for over three percent of cigarette sales in supermarkets. ■

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SAMI UPDATE:

HBA Unit Volume At Food Stores Is Back in the Black at End of 1982

For many marketers of Health and Beauty Aid products, 1982 was a traumatic year, particularly during the fourth quarter following the announcement that cyanide-laced Extra Strength Tylenol capsules had led to the deaths of several people in Chicago.

In subsequent weeks, some other HBA products were tampered with, among them eye wash, mouthwash, nasal sprays and some other brands of analgesics.

As a result of the Tylenol killings and the copycat incidents that followed, some prophets of doom predicted that the makers of Tylenol would never be able to restore consumer confidence in the brand. But as the year drew to a close, Tylenol was staging a remarkable recovery. The entire industry can be proud of the responsible manner in which Johnson & Johnson acted under enormous pressure.

HBA categories in general did well in the last reporting period, which ended December 10. After two consecutive four-week periods that showed a decline in unit volume among HBA products at national food stores, there was a 1.4 percent gain reported. And of the 49 different HBA product categories measured by SAMI, some 26 posted four-week unit gains. Losses were seen in 22 product categories. There was no change among antacids compared to a year ago.

Baby booms

Baby needs eked out a small gain of .5 percent in the reporting period. Increases of 6.5 percent for baby powders and 1.4 percent for nursing supplies offset losses of 1.1 percent for baby oils, creams and lotions, and a loss of 4.3 percent for infant clothes.

Sales of stick deodorants continued to soar. The four-week gain of 26.2 percent was in part caused by Gillette's new Soft & Dri stick and the national rollouts of Lady's Choice and Arid XX. Spray deodorants were also in the plus column, largely as a result of Lever Bros.' new Impulse body spray line. Within the deodorant product group there were four-week unit sales losses for feminine hygiene deodorants (−8.3 percent), roll-on deodorants (−7.9 percent), cream deodorants (−3.9 percent) and feminine douches (−3.6 percent).

For the second period in a row, both first aid categories enjoyed a double-digit growth rate. Relatively new cortisone items continue to help swell the volume of first aid antiseptics. Private labels are among the items gaining share in the first aid products category.

Hair-raising figures

Five of the seven hair care categories recorded four-week unit gains, paced by hair sprays, which were ahead 4.6 percent. A new entry, Jhirmack, helped. There were losses among home permanent kits and hair dressing needs. In the shampoo category, new volume came from For Oily Hair Only and St. Ives, which completed national distribution. New products were also important in the growth of hair conditioning rinses, particularly Helene Curtis' Finesse and Gillette's For Oily Hair Only.

In the oral hygiene product group, there was a small overall loss in spite of the increase in unit volume in four of the six categories. Toothpaste sales were down almost a million units (−3.1 percent), and this drop was enough to cause a loss for the entire product group. There was a higher rate of loss for breath fresheners (−4.9 percent), but due to the relatively small size of this category, the loss in units did not importantly affect the product group loss rate.

SAMI measures the volume of all brands and items in 12 proprietary remedy categories. During the four weeks that ended December 10, national unit volume declined in seven categories, rose in four and was unchanged in one.

Overall, the tonnage reduction was only .1 percent, because most of the losses occurred in relatively low-volume categories such as tranquilizers, chest rubs or nasal sprays.

Internal analgesics were still in the negative column during this post-tampering scare period, but the rate of decline was only one percent in the most recent period.

The antacid category stayed even with the reporting period of a year ago. Gains from Riopan, which completed national distribution, or Lo-Sal, which rolled

Continued on page 32

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	**4 WEEKS ENDING 10/15/82**	**4 WEEKS ENDING 11/12/82**	**4 WEEKS ENDING 12/10/82**
BABY NEEDS	**− 1.6%**	**+ 3.6%**	**+ 0.5%**
BABY POWDERS	− 6.0	+ 6.5	+ 6.5
BABY OILS, CREAMS & LOTIONS	− 4.7	+ 5.3	− 1.1
INFANT CLOTHES	+ 0.4	+ 1.4	− 4.3
NURSING SUPPLIES	+ 3.5	+ 2.5	+ 1.4
DEODORANTS	**+ 2.3%**	**+ 3.8%**	**+ 4.1%**
SPRAYS	+ 6.1	+ 4.7	+ 1.2
ROLL-ON	−12.6	− 9.1	− 7.9
STICK DEODORANTS & PADS	+15.8	+20.3	+26.2
CREAMS	− 3.2	− 3.5	− 3.9
DEODORANTS & TALCUM POWDERS	+ 3.9	+ 2.2	+ 2.2
FEMININE HYGIENE DEODORANTS	− 9.0	− 7.6	− 8.3
FOOT DEODORANTS & ATHLETE'S FOOT REMEDIES	+ 2.7	+ 5.0	+ 0.3
FIRST AID	**+ 2.8%**	**+11.7%**	**+12.6%**
ANTISEPTICS	+ 4.5	+11.6	+12.2
FIRST AID PRODUCTS	+ 2.4	+11.7	+12.7
HAIR CARE NEEDS	**− 3.7%**	**+ 0.8%**	**+ 3.4%**
SHAMPOOS	− 4.1	+ 0.3	+ 4.0
HAIR SPRAYS	− 1.5	+ 4.8	+ 4.6
HAIR CONDITIONING RINSES	− 4.8	+ 0.6	+ 3.5
HAIR SETTING NEEDS	+10.3	+ 6.2	+ 4.3
HOME PERMANENT KITS	+ 0.9	− 3.6	− 4.6
HAIR COLORING	− 3.9	± 0.0	+ 1.2
HAIR DRESSING NEEDS	− 4.4	− 3.9	− 2.7
ORAL HYGIENE	**− 1.2%**	**− 1.2%**	**− 0.1%**
TOOTHPASTES & POWDERS	− 3.4	− 5.1	− 3.1
MOUTHWASHES	+ 0.1	+ 2.4	+ 5.9
BREATH FRESHENERS	−15.7	+ 8.3	− 4.9
DENTURE CLEANERS	+ 4.0	+ 8.1	+ 6.0
DENTURE ADHESIVES	− 1.7	+ 2.8	+ 2.3
TOOTHBRUSHES	+ 8.7	+11.7	+ 7.1
PROPRIETARY REMEDIES	**− 3.4%**	**− 3.3%**	**− 0.1%**
ANTACIDS	+ 1.7	+ 3.2	± 0.0
INTERNAL ANALGESICS	− 3.0	− 4.0	− 1.0
EXTERNAL ANALGESICS	+ 5.1	− 5.2	+ 3.6
COLD TABLETS	− 9.1	− 8.2	− 6.3
NASAL SPRAYS—DROPS—INHALERS	−15.1	−13.2	−12.7
CHEST RUBS	−15.7	− 3.9	− 9.0
COUGH REMEDIES	− 4.3	− 6.2	+ 3.2
LAXATIVES	− 1.0	+ 1.0	− 1.0
SLEEPING AIDS	+ 1.0	− 0.2	− 3.1
TRANQUILIZERS	−29.0	−33.3	−35.8
VITAMINS	−10.2	− 3.3	+ 1.1
EYE CARE PRODUCTS	+ 5.3	+ 2.2	+10.2
SHAVING NEEDS	**+ 5.9%**	**+ 2.4%**	**+ 1.0%**
SHAVING CREAMS	+ 9.9	+ 9.1	+ 7.5
PRE-SHAVE LOTIONS	− 4.3	− 2.5	+ 1.9
AFTER-SHAVE LOTIONS	− 5.0	− 3.3	+ 2.4
RAZOR BLADES	+ 6.6	+ 1.5	− 0.6
RAZORS & BLADES	−14.4	−20.5	−27.9
SKIN CARE AIDS	**−14.3%**	**− 4.1%**	**− 1.7%**
HAND & BODY CREAMS & LOTIONS	−20.6	− 8.0	− 3.4
FACIAL PREPARATIONS	−14.4	− 9.9	− 5.8
LIP CARE PRODUCTS	−20.9	+ 2.5	+ 3.3
SUNTAN LOTIONS & OILS	+ 7.4	+11.5	−11.4
COSMETIC & MEDICATED SKIN AIDS	− 2.0	+ 3.3	+ 1.6
TOTAL ALL CATEGORIES	**− 2.1%**	**− 0.3%**	**± [illegible] %**

SAMI

Continued from page 29

out nationally during the fourth quarter, were offset by losses from many of the established brands.

The only cold remedy category to show four-week unit sales increases in cough remedies (+ 3.2 percent). Showing losses were nasal sprays, drops in inhalers (- 12.7 percent), cold tablets (- 6.3 percent), chest rubs (- 9.0 percent) and internal analgesics (- 1.0 percent).

Vitamins, with an increase of 1.1 percent, were ahead for the first time in several months. Eye care products continued a consistent growth pattern: sales were ahead 10.2 percent, one of the highest rates of growth for any HBA category measured by SAMI.

The razor's edge

The shaving needs product group represents a mixed bag, as far as trends. Gains in four-week unit volume were seen in shaving creams (+ 7.5 percent), after-shave lotions (+ 2.4 percent) and pre-shave lotions (+ 1.9 percent). The losses were suffered by razors and blades (- 27.9 percent) and razor blades (- .6 percent). There has not been much new product activity in these catagories recently to expand the category volume.

Finally, moving on to the skin care needs product group, we find the highest loss of any rate of the SAMI product group, a decline of 1.7 percent. Contributing to this fall-off most were the continuing unit volume losses in hand and body creams and in lotion and facial preparations. It should be pointed out, however, that in these categories, the period volume for December 1981 was inflated by new product expansions. In the current period, the only important new product expansions were for St. Ives body lotion and Sea Breeze Whipped Facial Cream.

The loss of 11.4 percent for suntan lotion and suntan oil does not translate to many dollars during the fourth quarter.

Lip care products and cosmetic and medicated skin aids showed gains.

So 1982 was ushered out on a positive note, with a plus for the HBA department in food stores. We hope the new year shows strong figures. ■

Telephones

Continued from page 26

ducted. It featured the same cordless telephone in two of its units in similar markets. In the first supermarket, the cordless product was priced at $99.95, while at the second store it cost $89.95. The second store outsold the first by three to one, the source said. "This is a classic example of price elasticity of demand—drop the price and you expand the market."

Quality counts

But that was one promotion. If there is to be a steady market for phones, and even if they are not just one-time purchases, or if their purchase is an important decision on the part of a consumer—upscale or not—then quality counts, along with good prices.

All of the supermarkets SB spoke with offer store guarantees and one-year manufacturers' warranties.

Farm Fresh, for example, features three low-cost telephone models: the push-button model it used in its first promotion; a model with a memory for seven phone numbers, retailing for $29.95; and another unit with a memory for 20 numbers and an automatic redial feature, retailing for $34.99. The phones are reliable, says assistant buyer Colleen McCade. Farm Fresh backs the products up with a 30-day, over-the-counter guarantee, in addition to the manufacturer's warranty.

In some places, though, price is the foremost issue. Safeway Stores' Seattle division has made home telephone equipment a standard part of its merchandise mix in its 10 superstores, according to a Safeway spokesman. The stores have been promoting phone-related equipment—cords, jacks, etc.—for the last two years, but they have only been selling telephones for the past 10 months. The division offers two models: a GTE push-button model with memory and an EZY-Fone extension, which can receive but not initiate calls. The first retails for $29.95, the second $19.95. In its ads, Safeway stresses the low price of the phones. Where they were made isn't an issue, the spokesman says.

Prices will probably be the

Continued on page 34

The WD-40 Easy Fix It Offer

Build sales with America's favorite tool, WD-40.

Order these versatile new displays. Take advantage of WD-40's special Stanley tool offer, OR use the display as a centerpiece for your own Fix-It Deal.

Your customers will be looking for these displays to pick up their FREE copy of WD-40's Easy Fix-It Guide.

WD-40 Easy Fix It Offer

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WD-40 offers:
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- **100-125% co-op allowances**
- **Display allowances**
- **Quantity allowances**
- **National TV advertising**

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WD-40 Company, San Diego, CA.

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SUPER VALU'S NEW BABY

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SUPER VALU'S NEW BABY: FOR THE MARKET, IT'S A BEAR

When Super Valu bought Cub Foods in 1980, some very big changes followed in the five-unit warehouse store operation, not to mention in the usually cozy Minneapolis marketplace. But the bear has awakened Cub's competitors to the realization that they must deal with their own misreadings of the market. There are also larger issues to face, such as a wholesaler's relationship with its retailers.

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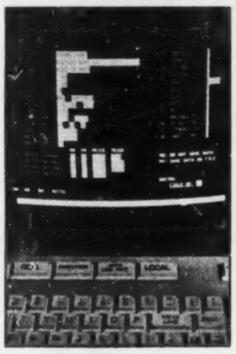
SUPER VALU'S MIKE WRIGHT TALKS TO SB

"We're trying to handle this thing very, very delicately," says Super Valu's chairman and CEO, explaining his positions on Cub, "and I think we've done a good job . . . I think our retailers in the Twin Cities are pretty understanding of the actions we've taken."



PAGE 26

RETAIL AUTOMATION COMES TO THE SUPERMARKET

Quick, what's the difference between a mini and a micro computer? Is there a difference? If you don't know, join the crowd: there's a lot of misinformation in the automation field, and information itself changes rapidly. Scanning and computer applications today are competitive weapons, and if a retailer is to keep that competitive edge, he must know how to handle automation. It's not too late—or too expensive—to start.

PAGE 33

NON-FOODS BUSINESS INSTORE PHARMACIES: CONVINCING CONSUMERS THEY'RE FOR REAL

Supermarket operators are more and more serious about the potentially lucrative instore pharmacy business. They're realizing that to be as successful as the old-fashioned pharmacies, they must be just that: complete drugstores.

OTHER FEATURES AND COLUMNS

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TRADESCAN

FOODS EATEN BY VALS GROUP

USED LAST SEVEN DAYS

Need Driven	% TOTAL ADULTS	BEEF (Index)	BACON (Index)	PORK (Index)	LAMB (Index)	VEAL (Index)
Survivors	3.9	64	74	67	21	41
Sustainers	7.1	77	96	87	54	97
Outer-Directed						
Belongers	38.6	98	104	101	96	92
Emulators	8.1	102	106	104	62	64
Achievers	21.4	115	105	114	125	124
Inner-Directed						
I-Am-Me	3.1	90	87	84	174	123
Experiential	6.1	95	92	80	36	130
Societally Conscious	11.6	109	93	100	160	105
Total % Which Ate Meat in Last Seven Days		72.8	55.6	47.7	4.6	4.9

The Meat Board Wants to Know Why You Are, What You Eat

CHICAGO—You and your customers are probably Belongers. If you're not Belongers, then chances are you're Achievers. And if you're neither, it could be that you're Sustainers, Emulators, Experientials or some other kind of person.

No matter what you are, the Meat Board wants to know what you eat and why you eat it.

And these names, which sound like various warring factions in a third-rate science fiction novel, are actually the results of a study conducted by the Stanford Research Institute in California. It's called Values and Life Styles (VALS), and it isn't a simple demographic study. It attempts to describe specific attitudes and traits shown by different parts of our society. Using these data, the Meat Board hopes to get a better idea of what its audience wants. And taken in conjunction with other kinds of information (including demographic), the Meat Board can obtain a clearer understanding of how meat products fit into the marketplace.

The VALS study doesn't measure a person's *direct* attitude towards a specific product. Rather, it attempts to arrive at an understanding of his attitude towards life in general, and why he decides as he does.

VALS has narrowed the American population down to eight kinds of person: Belonger, Emulator, Achiever, Survivor, Sustainer, I-Am-Me, Experiential and Societally Conscious.

The biggest group of people, about one third of the population, is the Belonger. A Belonger is patriotic, stable, sentimental and traditional. He can be of any age, and is basically content with life. Part of the VALS survey found that in an average week, Belongers ate about four percent more bacon, one percent more pork, two percent less beef, four percent less lamb and eight percent less veal than the average consumer.

Next largest group in the population is the Achiever group, made up of prosperous and middle-aged materialists. This is by far the most productive group as far as the Meat Board is concerned in the case of VALS data. Representing about a quarter of the adult population, Achievers in an average week eat 15 percent more beef, five percent more bacon, 14 percent more pork, 25 percent more lamb and 24 percent more veal than the average consumer.

Young adults who are trying to become Achievers are known as Emulators. They represent a little less than 10 percent of the population. As far as meat consumption, they eat two percent more beef, six percent more bacon, four percent more pork, 38 percent less lamb and 36 percent less veal.

These three groups, because of their materialism, and because they live in the mainstream are considered outer-directed.

Inner-directed groups are the Societally Conscious, composed of mission-oriented people, who are usually affluent and well-educated (they're often considered the opposite of Achievers); the Experiential, highly educated younger people with good incomes, who are directed toward an inner growth; and the I-Am-Me, composed of singles, usually, who are faddish.

People who are driven by need are the poorer segments. These are known as Survivors, mainly female, with little income and little education, and Sustainers, who are having a hard time making ends meet, and who are usually minorities, with low education.

The VALS study found that it is hard to pin down an "average" consumer. For instance, Sustainers, who are not well off, eat only three percent less veal than the average consumer. And the Societally Conscious group eats a whopping 60 percent more lamb than the average consumer.

The Meat Board is considering how important each of the segments is in relation to the others and where advertising and marketing messages should be aimed to be most effective. These "psychographic" studies, when used with demographic and consumer attitude surveys can lead to a more realistic picture of consumers. ■

Computer Guides Shoppers in Store

PROVIDENCE, R.I.—There's a computer terminal on the market that can give supermarket shoppers a whole new feel for a store.

Shoppers just press the face of DataTouch, and in seconds they can read on the screen information about the store's layout, where to find what, specials for the day and even recipes and coupons. The system can relieve store personnel of answering routine questions, and can also make shoppers aware of information they might not be inclined to ask. It can provide a different kind of point-of-sale approach.

TOUCH
FOR
INFORMATION
Super-Shop's
Merchandise
Directory

A list of categories appears on the screen first. To receive detailed information on each category, a customer presses the screen next to a particular item. In addition, an optional built-in printer can give shoppers an instant printout of the data shown on the screen, such as coupons.

The system was designed by PL Systems, a three-year-old soft- and hardware computer company here in Providence. A spokesman for PL Systems said that some supermarkets in the New England area have shown interest in DataTouch, and are working with the company to fine-tune DataTouch to their particular needs before installing the systems on a trial basis.

DataTouch can be configured to any number of screens. Four terminals can be run by one microcomputer. A system can cost between $10,000 and $24,000 right now, depending on the number of terminals used, the spokesman said.

For more information on DataTouch, write SUPERMARKET BUSINESS, 25 West 43rd St., New York, N.Y. 10036. ■

Easter Seals Starts Coupon Blitz

CHICAGO—The National Easter Seal Society might be hopping down the money trail later this month, as a result of a massive couponing campaign centered around the Easter Seal Telethon, which will be aired nationally March 26 and 27.

The Easter Seals Society is working with BFD Inserts (Westport, Conn.), a newspaper co-op couponing company. They have brought together 13 corporations, representing 35 brands, for the promotion.

Everything takes off the week of March 20, when 1.3 billion cents-off coupons will be distributed via a 20-page BFD insert in 37 million newspapers. Manufacturers have donated a minimum of $50,000 per brand in anticipation of the coupons' being redeemed by April 3. Easter Seals hopes to raise $1.5 million in this promotion.

Viewers of the Easter Seals Telethon will be encouraged to redeem the coupons immediately. The telethon will be hosted by Pat Boone and airs the weekend following the distribution of the inserts.

"Help yourself to Spring Savings and help us raise $1,500,000 for Easter Seals."
Look for this symbol on money saving coupons in this insert
Special Easter Seals Edition
GOLDEN
Taster's Choice
Save 20¢
VOID
Save 40¢
Taster's Choice
VOID

Consumers will have an added incentive in redeeming the coupons: the Easter Seal coupons have printed on them Easter Seal Instant Win numbers, which can be matched against winning numbers at supermarkets with special Easter Seal displays. If numbers on the coupons match those at the displays the shopper can win cash prizes ranging from $500 to $10,000. In addition, for every cash prize awarded, the manufacturer whose number appears on the winning coupon will donate a matching amount of money to the shopper's local Easter Seal branch. The total value of the sweepstakes is $100,000.

The promotional program and the Instant Win prizes will be described in the newspaper inserts. Winning numbers will also be announced over the air during the telethon.

Companies participating in the couponing and Instant Win campaign are Ralston Purina, American Home Foods, Nestle, Pepperidge Farm, Tropicana, Glenbrook Laboratories, Boyle-Midway Division of American Home Products, Shulton, American Cyanamid, Sylvania, Airwick, Tampax and Swift. ■

NonFoods BUSINESS

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 11/12/82	4 WEEKS ENDING 12/10/82	4 WEEKS ENDING 1/7/83
BABY NEEDS	**+ 3.6%**	**+ 0.5%**	**− 1.3%**
BABY POWDERS	+ 6.5	+ 6.5	− 0.8
BABY OILS, CREAMS & LOTIONS	+ 5.3	− 1.1	− 5.5
INFANT CLOTHES	+ 1.4	− 4.3	+ 3.6
NURSING SUPPLIES	+ 2.5	+ 1.4	+ 1.3
DEODORANTS	**+ 3.8%**	**+ 4.1%**	**+ 5.8%**
SPRAYS	+ 4.7	+ 1.2	+ 3.8
ROLL-ON	− 9.1	− 7.9	− 2.9
STICK DEODORANTS & PADS	+20.3	+26.2	+23.8
CREAMS	− 3.5	− 3.9	− 4.4
DEODORANTS & TALCUM POWDERS	+ 2.2	+ 2.2	+ 3.9
FEMININE HYGIENE DEODORANTS	− 7.6	− 8.3	− 0.8
FOOT DEODORANTS & ATHLETE'S FOOT REMEDIES	+ 5.0	+ 0.3	+ 2.0
FIRST AID	**+11.7%**	**+12.6%**	**+14.8%**
ANTISEPTICS	+11.6	+12.2	+12.6
FIRST AID PRODUCTS	+11.7	+12.7	+15.2
HAIR CARE NEEDS	**+ 0.8%**	**+ 3.4%**	**+ 5.8%**
SHAMPOOS	+ 0.3	+ 4.0	+ 6.7
HAIR SPRAYS	+ 4.8	+ 4.6	+ 9.0
HAIR CONDITIONING RINSES	+ 0.6	+ 3.5	+ 4.8
HAIR SETTING NEEDS	+ 6.2	+ 4.3	+ 5.5
HOME PERMANENT KITS	− 3.6	− 4.6	−10.8
HAIR COLORING	± 0.0	+ 1.2	+ 0.7
HAIR DRESSING NEEDS	− 3.9	− 2.7	− 1.3
ORAL HYGIENE	**− 1.2%**	**− 0.1%**	**+ 1.6%**
TOOTHPASTES & POWDERS	− 5.1	− 3.1	+ 1.6
MOUTHWASHES	+ 2.4	+ 5.9	− 0.6
BREATH FRESHENERS	+ 8.3	− 4.9	+ 1.2
DENTURE CLEANERS	+ 8.1	+ 6.0	+ 8.8
DENTURE ADHESIVES	+ 2.8	+ 2.3	+ 1.7
TOOTHBRUSHES	+11.7	+ 7.1	+ 2.0
PROPRIETARY REMEDIES	**− 3.3%**	**− 0.1%**	**+ 1.4%**
ANTACIDS	+ 3.2	± 0.0	+ 1.6
INTERNAL ANALGESICS	− 4.0	− 1.0	+ 5.6
EXTERNAL ANALGESICS	− 5.2	+ 3.6	+11.7
COLD TABLETS	− 8.2	− 6.3	− 0.3
NASAL SPRAYS—DROPS—INHALERS	−13.2	−12.7	−11.2
CHEST RUBS	− 3.9	− 9.0	− 7.1
COUGH REMEDIES	− 6.2	+ 3.2	− 2.5
LAXATIVES	+ 1.0	− 1.0	+ 2.3
SLEEPING AIDS	− 0.2	− 3.1	− 7.3
TRANQUILIZERS	−33.3	−35.8	−46.5
VITAMINS	− 3.3	+ 1.1	− 1.8
EYE CARE PRODUCTS	+ 2.2	+10.2	+15.6
SHAVING NEEDS	**+ 2.4%**	**+ 1.0%**	**+ 4.6%**
SHAVING CREAMS	+ 9.1	+ 7.5	+16.2
PRE-SHAVE LOTIONS	− 2.5	+ 1.9	− 5.8
AFTER-SHAVE LOTIONS	− 3.3	+ 2.4	+ 8.6
RAZOR BLADES	+ 1.5	− 0.6	+ 1.4
RAZORS & BLADES	−20.5	−27.9	−23.1
SKIN CARE AIDS	**− 4.1%**	**− 1.7%**	**− 1.4%**
HAND & BODY CREAMS & LOTIONS	− 8.0	− 3.4	− 5.2
FACIAL PREPARATIONS	− 9.9	− 5.8	− 5.5
LIP CARE PRODUCTS	+ 2.5	+ 3.3	+ 3.3
SUNTAN LOTIONS & OILS	+11.5	−11.4	+78.3
COSMETIC & MEDICATED SKIN AIDS	+ 3.3	+ 1.6	+ 4.1
TOTAL ALL CATEGORIES	**− 0.3%**	**+ 1.4%**	**+ 3.1%**

SAMI UPDATE:

HBA Unit Volume Gets Off To a Rousing Start in 1983

The most recent SAMI reporting period is for the 28 days ending January 7, 1983. Thus, three weeks fell in 1982 and one in 1983. For the sake of argument, or optimism, since there was a nice gain of 3.1 percent in unit sales of all health and beauty aids measured by SAMI, let's say that 1983 had an auspicious beginning, rather than pulling the curtain down on 1982, which some HBA marketers would like to forget.

Gains outnumbered losses during the four-week period on both a product-group and category basis. The score was six gains to two losses among product groups, with the losses seen in baby needs and skin care aids. On a product category basis, there were 29 that showed four-week unit increases versus the corresponding period a year ago. There were 20 categories that showed declines, including four pertaining to coughs and colds.

The news, however, is good. Except for the four-week period that ended April 30, 1982, when total health and beauty aid unit volume rose 5.2 percent, this most recent increase of 3.1 percent is the highest gain since SUPERMARKET BUSINESS started reporting monthly SAMI trends. The previous high was bolstered by a rip-roaring (so to speak) cold and flu season, and a rush of new products in the stick deodorant and hand and body creams and lotions categories, which expanded volume in the category substantially during their introductory and rollout phases.

There was a small loss in the baby needs product group, and this can be attributed to a continuing decline in baby oils, creams and lotions. After a healthy increase, in the period ending in December, for baby powders, the category shrank slightly for the current reporting period. There were unit increases for both infant clothes and nursing supplies.

Deodorants Roll On

In the deodorant product group, the major gain continues to stem from stick deodorants, helped by new product or roll-out activities from such brands as Lady's Choice, Arid XX and Soft & Dri. Spray deodorants registered another volume gain, with Impulse Body Spray from Lever Bros. taking the credit for the most part. Losing volume versus the period a year ago were roll-on deodorants (−2.9 percent), cream deodorants (−4.4 percent), feminine hygiene deodorants (−0.8 percent) and feminine douches (−2.8 percent). But in spite of volume declines in these four category units, volume for the product group as a whole was ahead 5.8 percent.

For the first aid group, it was another strong sales period. Volume for both antiseptics and first aid products (bandages, cotton gauze, etc.), was enhanced by increases in private-label items.

Hair care needs were in demand, except for home permanent kits, which showed a loss of 10.8 percent, and hairdressing needs, which had a slight decline of 1.3 percent. Important gains were registered in the high-volume categories of shampoo (+6.7 percent), hair spray (+9.0 percent) and hair conditioning rinses (+4.8 percent). Some of the increased volume was contributed by new product or roll-out progress by such brands as For Oily Hair Only (shampoo and hair conditioner), St. Ives Shampoo, Jhirmack Hair Spray and Finesse Hair Conditioner.

No Mouth Washouts

There was only one minus sign among SAMI's six oral hygiene categories—a loss of less than one percent for mouth washes. Denture cleaners were up 8.8 percent, as Efferdent Tablets enjoyed strong sales. Toothpaste returned to the plus column after two periods with year-to-year down trends.

Among proprietary remedies, the big news was the return of internal analgesics to black ink. Unit sales advanced 5.6 percent. Eye-care products, particularly those for contact lenses, continue to grow. As noted before, the good or bad cold season (depending on how you look at it) affected all four cold and cough categories during this period.

The two losses seen among shaving needs—a drop of 5.8 percent for pre-shave lotions and a drop of 23.1 percent for razors and blades—was accrued in small-volume categories, so the product group as a whole advanced 4.6 percent in four-week unit sales. It was a particularly strong month for shaving creams, with double-digit growth for both Gillette

Continued on page 41

BEST AVAILABLE COPY

NonFoods BUSINESS

> "People are meticulous about eye care, buying supplies often."

Continued from page 35

drug gets equal space with grocery.

Ultimately, however, "it's whether you can do a good job with the section tha makes the difference," says Leroy Treadway of Tom Thumb (Dallas).

What does doing a good job mean?

☐ **Special services.** This means everything from computerized patient profiles to ordering a special cough syrup for a customer who can't do without it. And it includes having the capacity to procure drug-related, but not necessarily stocked, items such as wheelchairs.

(When it comes to canes, walkers and crutches, some chains find that rentals are the key. "Rental fees are substantially higher than sales," says Bob Coopman, who directs the service for H.E. Butt.)

☐ **Physician-recommended products.** These are items "promoted" strictly by the physician (for example, Zetar, a medicated shampoo), along with products that were formerly available only by prescription and which are now available over the counter. Two good examples of this are Coricidin and Dixrol, both cold formulas. People go looking for products that are recommended by doctors, so it's good to have the more popular of these on your drug center shelves, says Claudia Hoffman, HBA buyer for Smitty's (Phoenix), which has pharmacies in all but a few of its stores. Hoffman leafs through old prescriptions to see which of the medications were purchased most frequently. Then she makes up a list and orders the items for company shelves.

☐ **Cross-merchandising.** Doing this with certain items strengthens related product categories, and enhances the section's drugstore profile. "Some products have a dual purpose, and should be merchandised that way," explains Hoffman. "Sea Breeze, for example, is merchandised on the first aid aisle because it's an antiseptic cleanser.

"Yet, it's also included with the acne preparations, because it's used as one." There can also be cross-merchandising on a store-wide basis. Some retailers place HBA in the grocery section of the store as well as in the pharmacy area. A store may place a small HBA section within grocery to keep the consumer who doesn't want to make an extra trip into the drug section. On the whole, though, stores with a comprehensive drug offering tend to consolidate HBA and drug.

☐ **Core categories.** Don't skimp. Vitamins are an integral part of any respectable drug department. Almost all supermarket pharmacies carry a comprehensive line of naturals and a private label. But some chains also include a regional brand. "The vitamin customer is a nutrition-conscious one," says Tom Thumb's Leroy Treadway. "The consumer knows his vitamins, so

Continued on next page

SAMI

Continued from page 36

Foamy and Pfizer's Barbasol.

Skin-care aids fell behind, because of weaknesses among hand and body creams and lotions, and facial preparations. These are the two categories, in which volume for a year ago was increased by new products that have now reached maturity; there have been no important new brands yet to spur sales.

There have been some newspaper reports that the cold and flu season blossomed in the latter part of January. The next set of SAMI sales movement figures will indicate whether manufacturers of these remedies are smiling on their way to the bank, while others sniffle their way to the supermarket. ■

"NO MORE FOHO™?"

RINSE
FOR OILY HAIR ONLY by Gillette
SHAMPOO
FOR OILY HAIR ONLY by Gillette
RUNNING OUT OF FOHO IS MORE EXPENSIVE THAN YOU THINK.

FOHO moves. In fact, it moves so fast, one out of every four stores stocking the For Oily Hair Only Shampoo and Rinse System is completely out-of-stock on shampoo. Those stores that do have stock have only an average of 8 units in inventory.

These stores may also soon be out of FOHO because consumer demand is being generated by one of the strongest promotional and media support programs in the category.

Being out-of-stock on FOHO cuts into profits more than you'd expect. Why? The profit per dollar invested in FOHO Shampoo inventory is over double the category average because FOHO turns twice as fast.*

Only you can control this situation. To increase *your* profits, stock up on FOHO and expand your shelf facings. Call your Gillette salesperson today to be sure FOHO moves in *your* store.

*Source: September/October A.C. Nielsen Retail Audit

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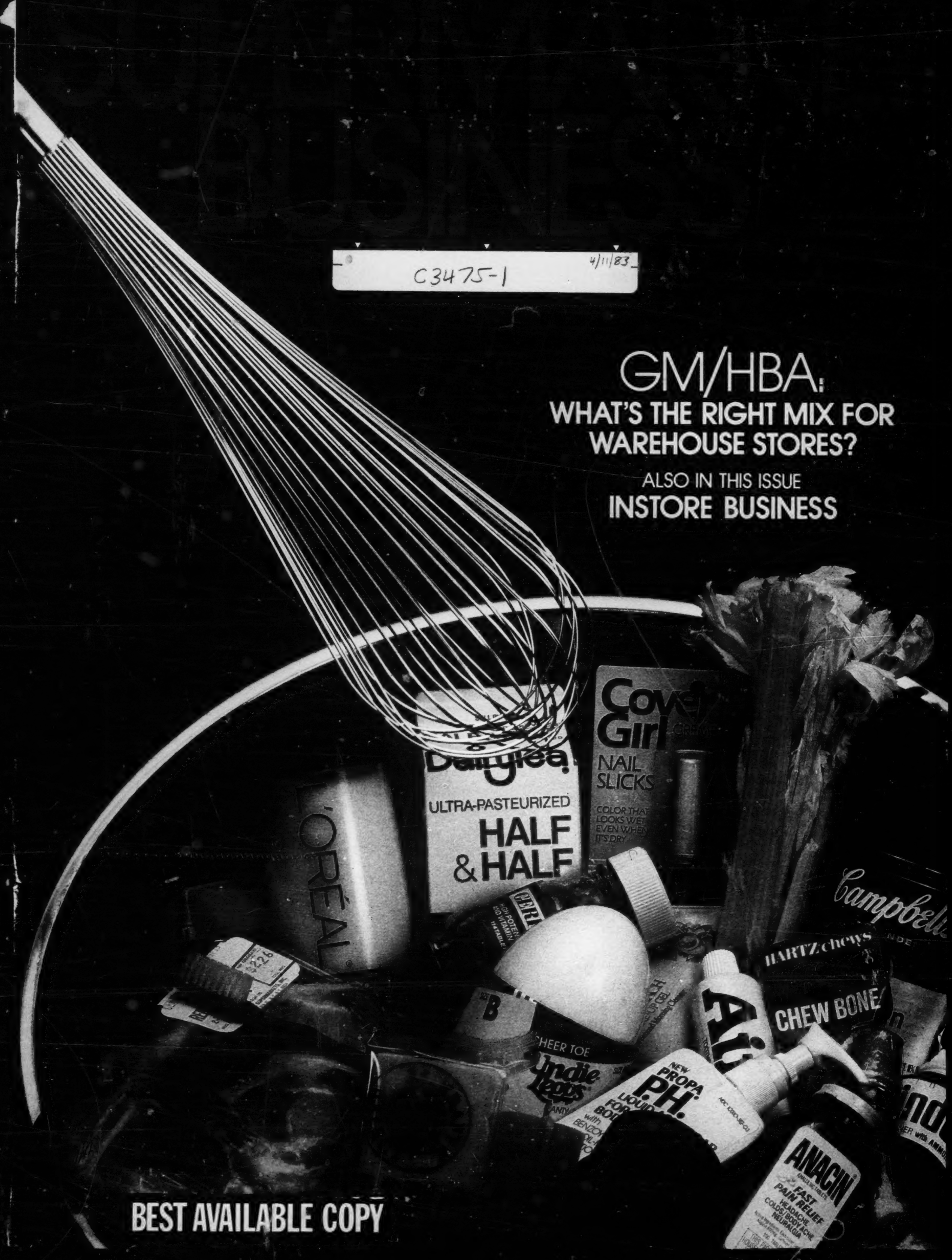
FOR INFORMATION CIRCLE 190 ON READER SERVICE CARD.

C3475-1 4/11/83


Dairylea
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HALF & HALF
Cover Girl
NAIL SLICKS
COLOR THAT LOOKS WET EVEN WHEN IT'S DRY
L'ORÉAL
Campbell's
HARTZ chews
CHEW BONE
CHEER TOE
Undie Leggs
NEW PROPA P.H.
ANACIN
FAST PAIN RELIEF

GM/HBA:
WHAT'S THE RIGHT MIX FOR WAREHOUSE STORES?

ALSO IN THIS ISSUE
INSTORE BUSINESS

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FORMERLY
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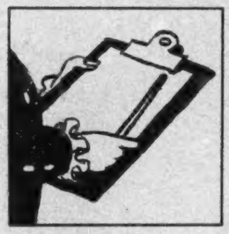

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TURNING AROUND PROBLEM STORES
It takes more than just a hunch to figure out why a store isn't doing as well as it should. Professional market research can help, using customer surveys, among other methods, to identify what kind of shoppers shop the store, and what the store should be doing for its shoppers.

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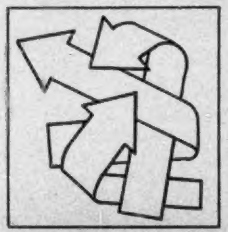
BEER:
MERGERS PUT MUSCLE IN THE TOP TEN
Some smaller brewers have realigned into potentially tough competitors for Anheuser-Busch and Miller. This year will be a test of their strength in the beer industry.



FACING PAGE 22
INSTORE BUSINESS
SPECIAL SUPPLEMENT*
New technology benefits both bakeries and delis, first by making it easier to have scratch in instore bakeries through automation and, second, making controls better in delis through scanning.
*Appearing in selected editions only.

Special 1.69

PAGE 25
NON-FOODS BUSINESS:
HAIR CARE MERCHANDISING
Spring can prove a fertile time for the hair care section, if retailers can capitalize on winter-weary customers' desire for a new look.

The right atmosphere is important in maximizing the hair-care category's performance, and the new Waldbaum's Food Mart in Middletown, Conn., offers the kind of esthetic environment that encourages the shopper to slow down—and think about improving her looks with products from its hair care section.

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GM/HBA:
WHAT'S THE RIGHT MIX FOR THE WAREHOUSE STORE CONCEPT?
Non-foods have generally been an afterthought in many warehouse stores. Some operators feared that the relatively higher retails might give a high-price image to the store. But just as this has proved wrong in perishables, it is also being re-examined in non-foods.

OTHER FEATURES AND COLUMNS

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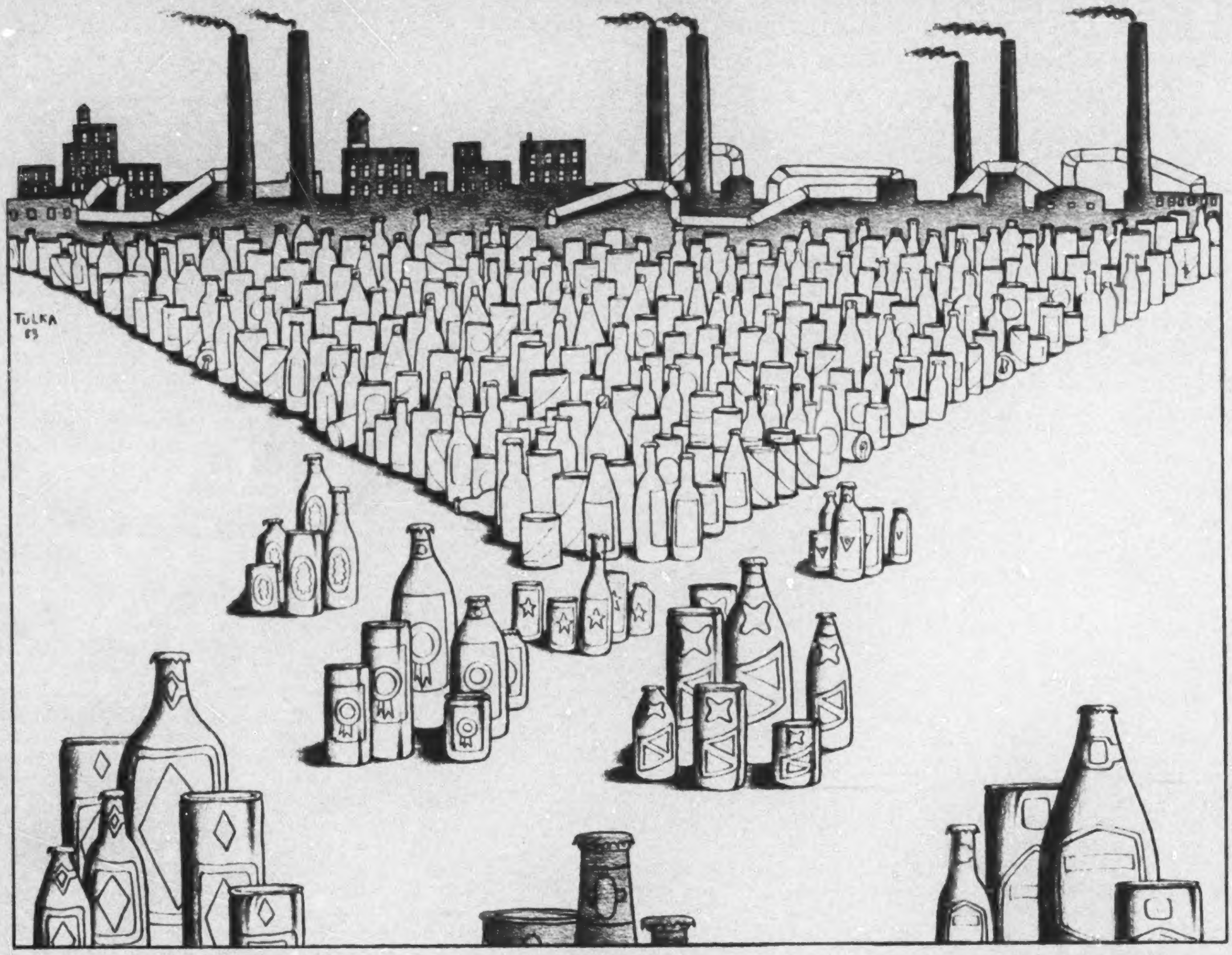
BEER

Mergers Put More Muscle in the Top Ten



Last year was not a great one for the beer industry, but it was one that offered it an opportunity to regroup for the future. Major realignments among smaller companies have produced some tough competitors for the two industry leaders, Anheuser-Busch and Miller.

The only real growth in beer sales last year came from imports, which jumped about 10 percent. This growing sophistication of the American beer drinker—for tastier, heavier brews—is reflected somewhat in the larger breweries' increasing awareness of the various segments that make up their markets. So, while the best-selling beers are, for the most part, the ones with the most neutral taste, brewers are beginning to introduce and to test-market some more flavorful, or super-premium beers.

Thus, while there are now a lot of strong contenders in the top 10, these brewers feel that to maintain an edge in what looks to become an even tougher market in the future, they must not only appeal to the common denominator of taste, but to the sometimes local preference for something different.

The new competition for Anheuser-Busch, whose Budweiser continued to outperform every other beer, and whose Budweiser Light jumped from zero to almost four million barrels last year, comes from the realignment of some smaller breweries. Number two Miller, which saw a drop of almost three million barrels last year (but whose Miller Lite continued to do well) also has the same competitors, and is in something of a weaker position, considering 1982, when barrelage fell.

Consider:

☐ The Pabst Brewing Company acquired Olympia, and will now be able to sell about 14.4 million barrels of beer a year. Pabst's main brands are Pabst Blue Ribbon, Olympia, Hamm's and Olde English 800. By contrast, Budweiser produced 39.6 million barrels, Miller High Life 20.5 million and Miller Lite 17.5 million.

> **Major realignments among smaller brewing companies have produced some tough competitors for the industry leaders. This year will be a test of the new competitors' strength.**

☐ Heileman acquired three former Pabst and Olympia breweries. It will be able to move into the Southeast market—where the toughest competitors at the moment are, naturally, Miller and Anheuser-Busch. Heileman looks to produce 18 million barrels of beer this year.

☐ Stroh now has Schaefer and Schlitz. Stroh will expand its market from the midwest to New England, Texas and Louisiana and hopes to continue its expansion into four western states in 1984 and 1985. Schaefer, which 10 years ago was the number five beer in the country, and was primarily an East-Coast beer, is expanding into all 50 states, and hopes to have finished its expansion by June 1, according to Ed Kopecky, Schaefer brand manager. Right now, the beer is available in 32 states. Schaefer has just introduced Schaefer Light, and will introduce that into every state also. So far, says Kopecky, it is performing well, and thus Schaefer hopes to capture some of the growing light beer market, which last year reached the 28-million-barrel mark. The combination of Stroh, Schlitz and Schaefer makes Stroh Brewing Company the third largest in the country, Kopecky says.

☐ Coors had a decline of 10.1 percent in sales last year, but is continuing to expand into new markets. It is available in 26 states now, the new Southeast ones being Alabama, Florida, eastern Tennessee, Georgia, North Carolina, South Carolina, Virginia and Washington, D.C.

So the smaller brewers are getting stronger, and will prove, they hope, strong competitors to Anheuser-Busch and Miller.

Continued

BEER

Continued from page 17

There are a lot of small breweries springing up around the country, appealing to Americans' increasingly specialized tastes. Some major brewers are beginning to try to capitalize on this growing market segmentation, with new beers of their own.

1982 Top Ten Beer Brands

Rank	Brand	Market share	Production*
1	Budweiser	21.6	39.6
2	Miller High Life	11.2	20.5
3	Miller Lite	9.5	17.5
4	Coors	4.9	9.1
5	Pabst	4.8	8.8
6	Michelob	4.6	8.5
7	Old Milwaukee	3.2	6.0
8	Old Style	3.1	5.6
9	Stroh	2.9	5.4
10	Schlitz	2.3	4.2

Source: Beverage Industry and John Maxwell

*Millions of barrels

Denny Long, president of Anheuser-Busch, thinks the competition will be tough, but that the tough will get going: "We're going to have to work all that harder in 1983," he says. "It's no longer a two-horse race." In an interview with SUPERMARKET BUSINESS about the beer industry performance last year and this, Long's remarks illuminate what is going on in many segments of the brewing industry.

Anheuser-Busch showed a barrelage increase of 8.5 percent last year. By contrast, total domestic beer sales grew only 0.2 percent, so the industry as a whole had a rough year. Now, though, while there are fewer brewers, there are more powerful ones among the top 10.

Consolidation of breweries seems to have ended, and as a result, "Competition will indeed be stronger. We've been predicting this consolidation for sometime. Nonetheless, Anheuser-Busch has no intention of lowering our growth rate," Long says. "It may slow somewhat, but we still see ourselves as being very strong. This year 1983 is a very telling time. It's been narrowing down to fewer and fewer brewers, who are stronger, and this year will tell if they can put those strengths together and be even more viable competitors."

Part of that strength is bound to come from quality control, or even an improvement of quality. Many brewers, among them Schaefer, have gone back to their original brewing recipes, to win back disenchanted customers lost during the seventies, when some recipes were altered for economic reasons.

The American consumer has become more conscious of quality in beer—witness the 10 percent growth of the high-quality imports, among them the top four: Heineken, Molson, Becks and Moosehead. There has also been a proliferation of small, regional breweries, which hope not only to bank on beer drinkers' sense of local loyalties, but also their increasingly sophisticated tastebuds. Among these breweries are San Francisco's Anchor Steam, New York's New Amsterdam Amber Light, Seattle's Ale Brewing and Berkeley, Calif.'s Thousand Oaks Brewing. These breweries account for very little of the total domestic beer output and sales, and while some larger breweries have not been truly affected by the growth of these "beer boutiques," others have taken notice.

Miller's new entry

Miller, for instance, is test-marketing a popular-priced beer, Meister Brau, in Jacksonville, Fla.; Greensboro, N.C.; Birmingham, Ala., and Minneapolis. It will move into other markets depending on its success in testing areas.

Coors is brewing George Killian's Irish Red Ale, which is designed to appeal to more specialized drinkers. It is also reported to be in the process of introducing Golden Lager 1873, into certain test markets. The label's inscripion says it has a "full-bodied taste."

Stroh's Signature beer, introduced last May in Michigan and at the World's Fair in Knoxville, Tenn., is doing very well, a spokesman for the company said. It will be introduced gradually into more areas, among them Chicago and Washington, D.C.

Brewers' Estimated Market Shares

	1979	1980	1981	1982E
Anheuser-Busch	26.8%	28.2%	30.0%	32.3%
Miller	20.8	20.9	22.2	21.8
Stroh	15.3	13.9	12.9	12.8
Heileman	6.6	7.5	7.7	7.9
Pabst	8.8	8.5	7.4	6.8
Coors	7.5	7.8	7.3	6.6
Olympia	3.5	3.4	3.1	2.8
Genesee	2.0	2.0	2.0	1.9
Schmidt	2.2	2.0	1.8	1.8
General	1.7	1.4	1.2	1.0
Pittsburgh	0.4	0.6	0.5	0.5
Others* (Net)	4.4	3.8	4.1	3.8

Total 100.0%

*Includes imports and excludes tax-free.

Source: Beverage Industry and John Maxwell

Michelob dominates super-premiums

In the super-premium market, however, Anheuser-Busch's Michelob dominates. The company is not worried about new entries. "Just because you see those brands," Denny Long says, "doesn't mean that they'll be long lasting. In fact, the vast majority of them fall by the wayside. I think that you're seeing a proliferation of brands primarily because of the growth of light beer and because of the need of some brewers to generate volume for what they see as potential markets."

Long feels that the proliferation of brands started in the mid-1970s, as an outgrowth of the development of the light beer market. "Now, as brewers have failed, or as sales start to slip," he says, "they start looking at market segmentation much harder. They see the potential—or at least *assumed* potential—in those segments, and they develop brands to try and penetrate those segments." Nonetheless, "I think that we will see a shakeout of many, many brands in the next three to five years."

He still feels, though, that there will be about a two-percent average growth for the brewing industry over the next five years, despite last year's grim figures, which he attributes to the economy in particular—not to any decrease in per capita consumption, but to a decrease in disposable personal income. "There were other factors, too," Long says, among them the NFL strike, which "quite frankly had minor, but still some impact on the industry. It eliminated the opportunity to drink beer while watching football on television—that's a major beer drinking time." In addition, the weather in the weather of 1982 was unusually severe, a cold winter followed by a cool summer, which affected buying habits. Long feels that it is unlikely that this fateful concatenation of events will occur again.

The only growth in domestic beers last year came from light beers. Budweiser Light was 1982's big success story, with sales of four million barrels. "There were probably only six brewers who had sales of more than four million barrels," Long says.

What is interesting about Budweiser Light's success is that so far it seems not to have eaten into sales of Budweiser, nor into sales of Miller Lite in any great way.

"Miller Lite had a good year," Long says, "increasing their volume nationwide by two million barrels. So while on the surface it would appear that it was not Miller Lite, we did penetrate the overall segment and took *some* volume away from them. We did not severely cripple them, nor did we intend to early on.

Light beers increased share

"We think that, number one, there was segment growth, for the light beer segment grew from 14 to 17 percent of all beer sold. Second, we had an impact on some of the other light beers, among them Coors, Schlitz and some of the non-light flagship brands. Miller High Life had a very weak year, down almost three million barrels, so we think some of our volume might have come from them."

Budweiser itself continued to grow, "and to grow soundly," Long says. "And we had counted on some cannibilization of Budweiser. While surely it's there, it's difficult to measure, but we don't see it to any significant degree."

The significance of last year lay not just in the decline of beer buying, but in the realignment of the breweries. Safety in numbers, could be the catch phrase, and Anheuser-Busch, for one is aware of the possible strength of other breweries now. "There will always be heat-ups in the industry," he says, "but the minute we start taking our growth for granted, then we have trouble. We're somewhat realistically pessimistic when we analyze the industry—it forces us to push harder.

"I think our success is a combination of our own initiative and some of other people's mistakes. If you go back to the early seventies, we think a lot of people made mistakes when they changed their product, cheapened it. I think, though, that the others have learned their lessons."

And while others are reformulating or initiating new marketing strategies, "I think that Anheuser-Busch's marketing is coming together, and we strongly feel that once you start drinking our products, it's hard to switch. I guess that now we're starting to gain momentum. But by no stretch of the imagination do we feel that we have an automatic growth pattern. We just have to work harder to stay on top."

The new, stronger breweries around the country will see to that. If 1982 saw the regrouping of many breweries in the industry, 1983 and 1984 will see the test of their strengths. There will be, it seems, more "national" beers, but their performance nationally remains to be seen. ■

—Robert Hughes

NonFoods BUSINESS

"INSIGHTS FOR TOP MANAGEMENT AND THE GM/HBA SPECIALIST"

HAIR CARE MERCHANDISING

Spring: ideal for promoting hair care — Try these ideas

Spring fever seldom catches on in the hair care section. Evidence of the changing season and new sales opportunities is seen at frequent intervals elsewhere in the store — in spring cleaning promotions of household supplies; in mass displays of soft drinks, snacks, picnic ware and charcoal; in the produce department's small, green precursors of lush summer fruits to come.

Yet hair care, too, offers great seasonal potential.

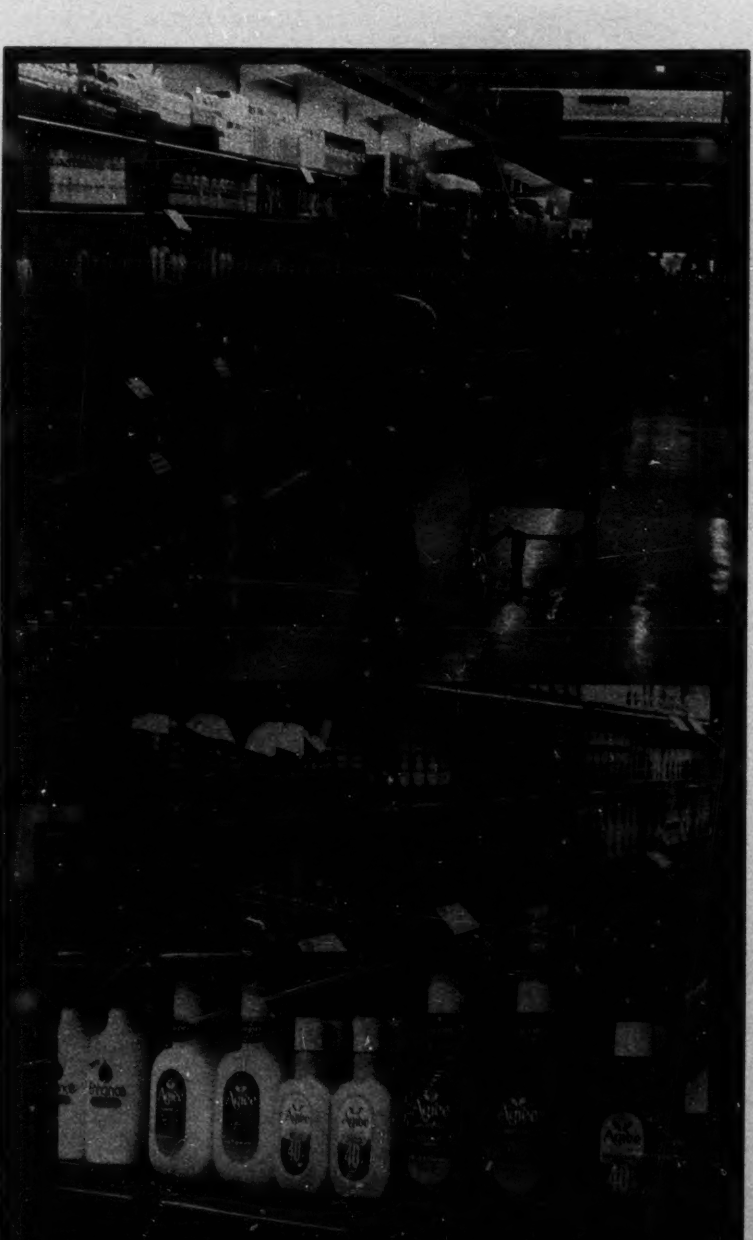
Consumers, shaking off late-winter doldrums, are looking for a change. The desire for self-improvement resurfaces with every skimpy bathing suit, tennis dress, pair of shorts and halter top.

Summer vacations, an opportunity to get away from the same old people who might be startled by a "new you," are a chance to try out a new look on people who will be seeing you — and it — for the first time.

Of course, some makeovers are easier to achieve than others. It's hard work to diet and exercise; and harder still — or more expensive, anyway — to change the shape of your nose. But a new look is only a shampoo away with many of today's packaged formulas — soft perms, curly perms, straighteners, relaxers, shampoo-in color, shampoo-out gray, semi-permanent rinses, streaking kits, highlighters and hennas.

Indeed, the easiest way for the consumer to satisfy the desire for a glamorous or startling or just

See next page, column one



"Planogramming by Palette" means careful organization by color of the hair care aisle"... just one of many things Waldbaum's Food Mart does to make its hair care section the super store equivalent of the upscale salon. See story

New super store colors hair care with glamor appeal

Like the dairy case, the hair care department offers a core of staple items — shampoos that achieve a basic goal: clean hair.

But like Charles Revson, the hair care section also sells hope. This is why products in this category boom, bust, catch fire and fade with such dizzying frequency.

Unless the product is designed to fill a specific individual need — Procter & Gamble's *"Head & Shoulders"* or Gillette's *"For Oily Hair Only,"* for instance — even consumers who are perfectly satisfied with their present shampoo or conditioner are highly motivated to try anything new that promises more.

This willingness to experiment on the part of the consumer makes hair care a dynamic category that keeps many a merchandiser poring over planograms late into the night.

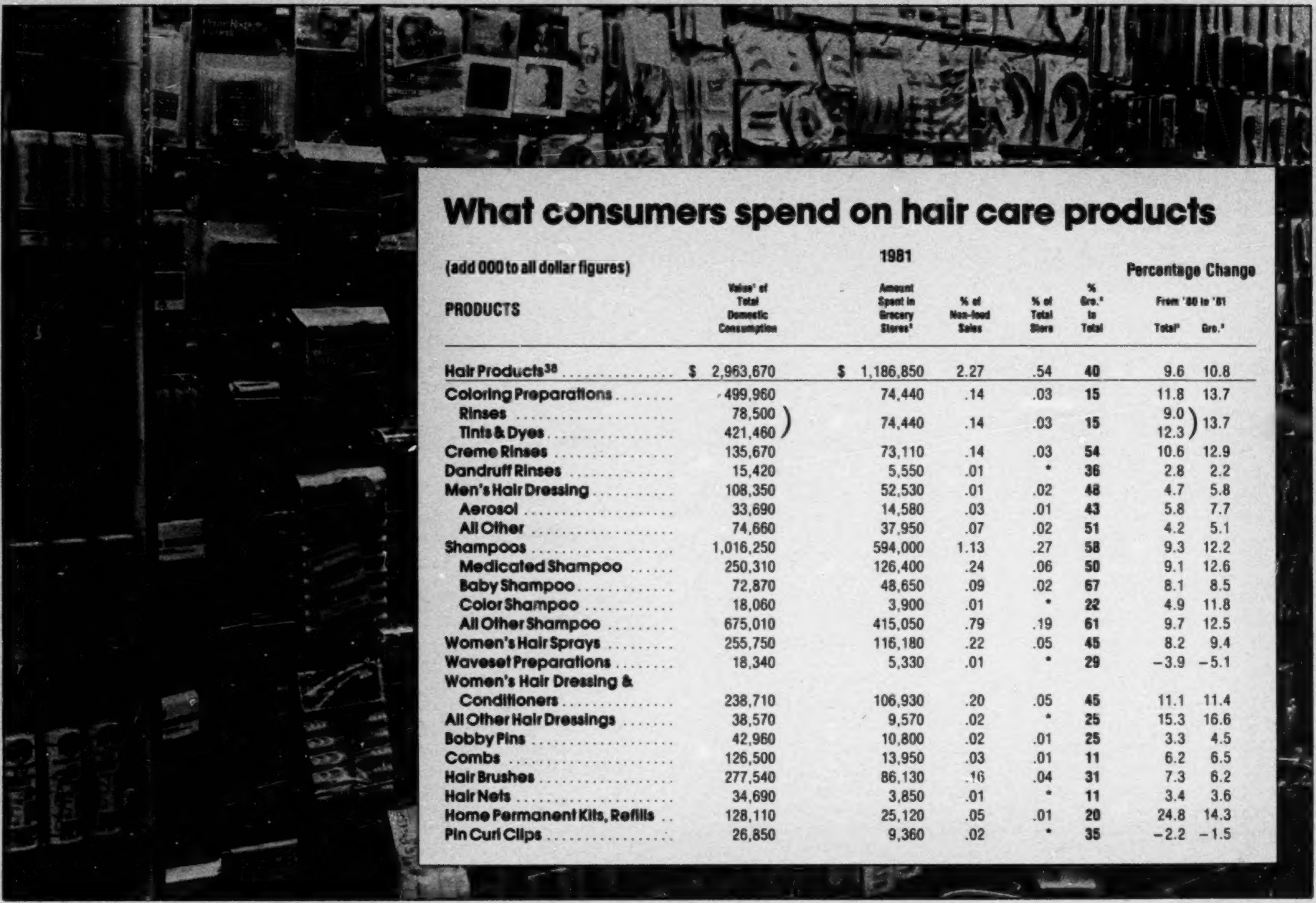
It also offers the merchandiser a way to cement the shopper's relationship with a store; and the operator an opportunity to profit by good movement on relatively high-margin items.

But to do so, you have to create the right environment . . . and then exploit it.

Food retailers, for the most part, have brought beauty aid items — cosmetics, fragrances and hair care products — into their supermarkets. But they have also, for the most part, been less successful at importing the kind of esthetic ambiance that can help to maximize the category's potential.

See next page, column four

NonFoods BUSINESS



What consumers spend on hair care products

(add 000 to all dollar figures)

PRODUCTS	1981 Value[1] of Total Domestic Consumption	1981 Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Percentage Change From '80 to '81 Total[1]	Percentage Change From '80 to '81 Gro.[2]
Hair Products[38]	$ 2,963,670	$ 1,186,850	2.27	.54	40	9.6	10.8
Coloring Preparations	499,960	74,440	.14	.03	15	11.8	13.7
Rinses	78,500	74,440	.14	.03	15	9.0	13.7
Tints & Dyes	421,460					12.3	
Creme Rinses	135,670	73,110	.14	.03	54	10.6	12.9
Dandruff Rinses	15,420	5,550	.01	*	36	2.8	2.2
Men's Hair Dressing	108,350	52,530	.01	.02	48	4.7	5.8
Aerosol	33,690	14,580	.03	.01	43	5.8	7.7
All Other	74,660	37,950	.07	.02	51	4.2	5.1
Shampoos	1,016,250	594,000	1.13	.27	58	9.3	12.2
Medicated Shampoo	250,310	126,400	.24	.06	50	9.1	12.6
Baby Shampoo	72,870	48,650	.09	.02	67	8.1	8.5
Color Shampoo	18,060	3,900	.01	*	22	4.9	11.8
All Other Shampoo	675,010	415,050	.79	.19	61	9.7	12.5
Women's Hair Sprays	255,750	116,180	.22	.05	45	8.2	9.4
Waveset Preparations	18,340	5,330	.01	*	29	−3.9	−5.1
Women's Hair Dressing & Conditioners	238,710	106,930	.20	.05	45	11.1	11.4
All Other Hair Dressings	38,570	9,570	.02	*	25	15.3	16.6
Bobby Pins	42,960	10,800	.02	.01	25	3.3	4.5
Combs	126,500	13,950	.03	.01	11	6.2	6.5
Hair Brushes	277,540	86,130	.16	.04	31	7.3	6.2
Hair Nets	34,690	3,850	.01	*	11	3.4	3.6
Home Permanent Kits, Refills	128,110	25,120	.05	.01	20	24.8	14.3
Pin Curl Clips	26,850	9,360	.02	*	35	−2.2	−1.5

One may not be able to grow Princess Di's long legs. But the Royal Hairstyle is eminently imitable.

From page 25, column one

plain different look is with a change of hair. One may not be able to grow Princess Di's long legs . . . but today, thanks to color rinses, home permanents and "light" hair sprays, the Royal Hairstyle is eminently imitable.

This "spring fever" restlessness is not always obvious in the face of the shopper placidly plodding up the nonfoods aisle.

But if you can tap into it, if your hair care section can in some way be made to mirror the theme of every women's specialty magazine at this time of year — "Get in Shape for Summer" . . . with diet, exercise *and a new hair style* — the payoff, in terms of sales and repeat business, can be great.

So in this issue of NONFOODS BUSINESS, we present a few good ideas for creating spring fever sales in high-profit hair care. ☐

Like the best advertising, good promotional displays offer a tangible benefit to the purchaser.

Give the promotion a theme, call attention to it with the unexpected (in a food store, at least) idea or object, assemble products with appeal to a broad spectrum of shoppers . . . and you'll have a winner.

Summer Shape-Up

Attention-getter: Exercise poster such as pull-out found in March Women's Day magazine; pages from magazine featuring new summer hair styles.

Display: Diet aids; conditioning shampoo and conditioner; hair ties, barrettes; specialty "shape-up" publications; jump ropes.

Evenings Outdoors

Attention-getter: Straw hat with bright, soft "sash" tie. Magazine pages featuring romantic summer fashions and exotic settings.

Display: Soft perms, curly perms (ethnic); shampoos, conditioners for treated hair; satin ribbons, tortoise-shell barrettes.

New Vacation Get-Away Looks

Attention-getter: Travel posters—beach, sailboat scenes; colorful locations: Mexico, Majorca, Mediterranean resorts. Available from travel agents.

Display: Permanents, streaking kits; trial sizes—perfect for packing—of shampoos, conditioners, hair sprays; plastic travel bottles, travel packs, folding toothbrush, cosmetic kits; small travel electrics—rollers, curling irons; portable hand mirrors; shampoo-in "summer blonde" hair color shades.

National Hair Color Month

Attention-getter: Print in large block letters manufacturers' "consumer hotline" information numbers for help with hair coloring. Coupons, support material.

Display: Various hair color shades, streaking kits, hair painting kits, lighteners; shampoos, conditioners for treated hair; hair accessories—bright barrettes, ribbons, combs.

New super store

From page 25, column four

Points out a 28-year-old New York single woman who colors her hair with *Loving Care* purchased in a drug store, "I like buying beauty products in a 'glamor' environment. I think about improving my looks when I'm in the type of environment that encourages my esthetic sense."

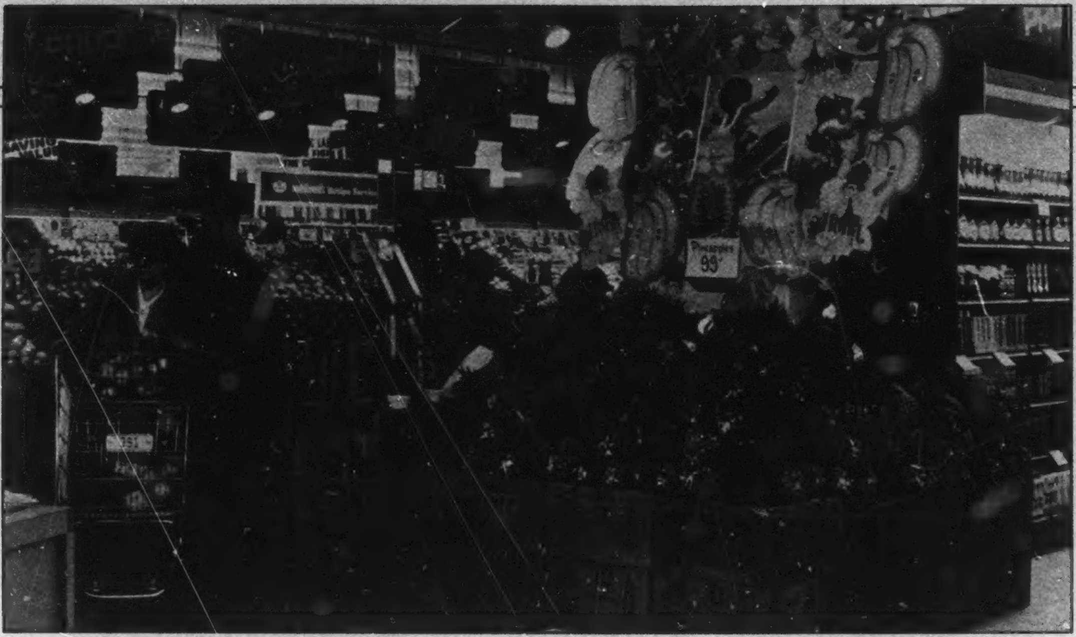
A New Jersey mother of two puts it even more bluntly: "I don't look for hair care products in the supermarket. I go someplace that has a more sophisticated outlook on beauty."

Perhaps she's been patronizing the wrong supermarkets. She should visit Ralphs, Vons or some of the new ShopRite concepts. . . . or the new Waldbaum's Food Mart that opened three weeks ago in Middletown, Conn.

Food Mart's newest unit is 64,000 square feet. Like many super stores today, it offers full drug store variety. But like only a few, it also offers the kind of esthetic environment that encourages the shopper to slow down, consider her purchase and reflect on herself . . . or himself — more

Continued on page 28

At Food Mart, "planogramming by palette" has created a hair care aisle that, visually, is second to none.



A consumer staple, shampoo, is located on the wall dividing Food Mart's produce section from the "drug store." High-volume movers are displayed on the near end. Food Mart has found hair care such a good traffic draw that it locates the category on both ends of the "drug store"—Goody and other accessories, "naturals" and ethnic hair care in Aisle 1, and major brand shampoos, conditioners, sprays and hair coloring in Aisle 4 around the corner from produce.

and more men are experimenting with personal care products, as well.

This Food Mart represents a further fine-tuning of the chain's HBA concept.

From the perspective of entering shoppers, food is on the left side of the store, HBA on the right. The two sections are separated by the "Picky Picky Picky" bulk produce department, a lavish, farm-stand-style section running down the center of the store.

To ensure traffic all the way through the "drug store," Food Mart positions its scratch bakery at the back of it. Overhead signs and the smell of fresh-baked bread, brownies and bagels make the bakery a difficult department to ignore.

The nonfoods department, too, is difficult to forget or ignore once you've seen it.

Even if you're drawn quickly by irresistible aromas all the way back to the bakery for a brownie . . . you have to take note for future reference of artfully arranged giftware displayed on mirrored shelves at the front of the section . . . extensive "natural" vitamins and beauty aids in unfinished wood fixtures . . . bulk natural snacks in serve-yourself lucite bins . . . colorful cosmetics in every shade . . . and a wall full of hair care accessories: *Goody* barrettes, ribbons, brushes and bows; rollers, clips, pins, mirrors, ties, headbands, combs and cosmetics containers.

Mirrored fixtures, soft blue enameled shelving, low department lighting and case lights punctuating the product give the entire department the glamor and drama of a specialty drug store.

At Food Mart, the "system" approach to hair care is used — shampoos and conditioners are displayed together by brand.

From the shopper's point of view, this is an approach that makes sense. If you use the same brand of shampoo and conditioner, it's easy to find both — they're right next to each other.

If they're different brands, it's still easy to find each individual product — a group of brands is easier to spot in a five-shelf, 32-foot section than a lone bottle of anything.

And still . . . scanning the length of Food Mart's hair care section . . . you see a neatness of grooming that cannot quite be explained because you've seen many a well-organized hair care aisle . . . until it suddenly occurs to you that this heightened sense of harmony is the result of careful visual orchestration of *color:* a creative new concept that can best be labeled *"planogramming by palette."*

Moving down the aisle, the bright greens of *Pert* and *Prell* settle into the deeper shades of *For Oily Hair Only* . . . dissolve into the aqua . . . blue . . . a *Silkience* silver . . . and gray. A *Tame* white leads into the pale gold of *Johnson's Baby Shampoo* . . . and into the bright yellow of *Agree* . . . the yellows and orange of *Nature's Organics* . . . and on to the deep chocolate of *Vidal Sassoon.*

The esthetic effect is a smooth, harmonious sweep . . . and a more "sophisticated outlook on beauty" than most shoppers could honestly say they've ever seen in any drug store.

Moving down the 32-foot wall section, the shopper works through a full variety — every major brand, size and type — and onto hair sprays and permanents.

Across the aisle at the end of this 32-foot section is a decorative pastel-and-mirrored Clairol fixture displaying, on slanted shelves, hair coloring preparations — Clairol and L'Oreal brands.

The slanted shelving in this section — beginning to be used for boxed items elsewhere in the store, as well — is proving to be one of those "Why-didn't-we-do-this-sooner" ideas that are so simple and logical nobody thinks of them.

And now . . . 'National Haircolor Month'

Your customers can receive personalized hair coloring advice and save money as well during May, billed by Clairol as "National Haircolor Month."

A special consultation form is available for distribution at point of purchase. Direct mailing is also taking the promotion to some 24 million American households.

Consumers fill out the forms, mail them to Clairol, and receive back a personalized recommendation of the exact coloring shade and formula to use, along with a coupon.

The promotion is, Clairol claims, the "perfect service" for the consumer who has never colored hair before, and welcomes help with product selection.

Clairol also offers a direct consultation service to consumers with a toll-free "Hair Help Hotline." A staff of expert consultants, who can be reached at 800-223-5800, is on hand Monday through Friday, 8:30 a.m. to 8 p.m. Eastern time (New York state residents call 212-644-2990 collect).

Such manufacturer promotion can be the basis of an attention-getting display highlighting it, and merchandising related products such as shampoos and conditioners for treated hair, and attractive hair decorations and accessories. ☐

FUEL PROFITS
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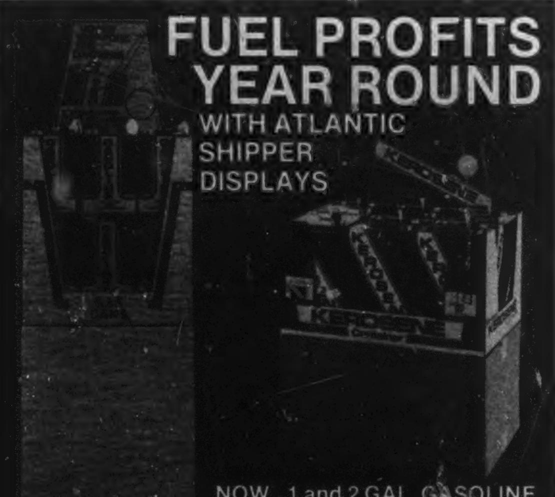
DISPLAYS



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"It's a new concept for us," says nonfoods manager Judy Burns. "It shows off the product better, highlighting the front of the package, and is easier to keep up."

Boxes simply drop into the slotted fixture. There's no tipping over, jumbling of product by shoppers looking for a particular shade or color, or need to keep facing the product forward as it sells through.

No matter which way a shopper enters the nonfoods side of this Food Mart store, hair care is prominently displayed:

Aisle 4, around the corner from produce, features all major shampoos and conditioners, perms and coloring formulas.

Aisle 1, on the other side of the "drug store," features the wall of hair care accessories. Across the aisle is an ethnic beauty section . . . a first for Food Mart.

Also in Aisle 1, next to the wall of hair care accessories, is "The Natural Boutique," a twin alcove-type merchandiser displaying hair care products made from today's popular ingredients: aloe vera, jojoba, vitamin E, keratin and even "natural" rainwater.

Moving on toward the back of the nonfoods section, which ends at the bakery, the shopper observes a change in tone of decor. Mirrored fixtures, pastel colors and glass shelving — the "beauty salon" look — give way to the "health store" look.

Raw pine gondolas, seven shallow shelves deep, display vitamins, loofa sponges, crackle bread, natural creams . . . and another extensive assortment of hair care products made from today's popular ingredients: aloe vera, jojoba, vitamin E, keratin and even "natural" rainwater.

Why the duplication in product type? "Two different suppliers," explains nonfoods manager Judy Burns. One is an across-the-board supplier of health products; the other, a vendor of "natural" beauty products only . . . who insists on his own "boutique."

For the moment, Food Mart has enough space in its nonfoods sections to permit this type of merchandising. The effect: An extremely strong presence in "health" and "natural" products.

Overall, Food Mart's approach to hair care retailing seems to combine the best of two outlets: supermarket convenience with the salon-style glamor of a well-done drug store.

Within its hair care section, Food Mart packs out its shelves according to product movement history. But it can afford an appealing "mass" look created by many facings of many brands, sizes and varieties.

The overall 64,000-square-foot store size gives Food Mart plenty of room to create a "mass merchandising" image suggesting reasonable pricing . . . while maintaining an order, logic, visual appeal and sophistication that suggests full drug or department store variety, and professional beauty salon quality.

Merchandising of hair care items in this prototype super store is everything any hair care manufacturer could hope for, in terms of space allocation, exposure and esthetic environment. At Food Mart, it seems, everyone has come out a winner in the shelf space and product positioning war . . . and already, the traffic is there.

So in this store at least, if it doesn't sell . . . there'll be nothing to blame but the product. □

> **"I don't look for hair care products in the supermarket. I go someplace that has a more sophisticated outlook on beauty."**

SHARE THE WEALTH...
Put the #1 selling cold tablet
in pharmacies on your shelf*

Sudafed S.A.
12 HOUR
sudafed syrup
SUDAFED cough syrup
SUDAFED PLUS
sudafed 30 mg tablets
Sudafed S.A.
12 HOUR
#1 SELLER

SUDAFED is the #1 selling cold tablet*

According to Pipeline data, SUDAFED 30 mg tablets in packages of 24s leads both Contac® and Dristan® in pharmacy sales.

And you can continue to draw on an already profitable picture by displaying the entire SUDAFED line:

SUDAFED® S.A.
A sustained-action nasal decongestant for potent 12-hour relief without drowsiness. (Available as 120 mg capsules in packages of 10s and 40s. Not recommended for children under 12 years of age.)

SUDAFED® PLUS
For symptomatic relief of colds and allergy.

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For potent cough relief.

SUDAFED® SYRUP
For reliable decongestion — tasty raspberry flavor.

SUDAFED® (pseudoephedrine hydrochloride) ...A complete line of cold products to improve your "bottom line"

*Pipeline, April 1982

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SAMI UPDATE:

HBA Unit Sales Continue Upward Surge, With Cold Remedies Leading the Way

After building up steam late in December and in the first week of January, health and beauty aids gained momentum in volume during the second SAMI reporting period this year.

There was a 3.7 percent increase in HBA unit sales in food stores, for the 28-day period ending February 4, versus the same period a year ago. The only product that showed a decline was skin care, which had a four-week loss rate of 5.5 percent.

On a product group basis, first aid items scored the highest rate of gain, 12.4 percent. Unit sales were in the plus column for 26 product categories, and in the minus column for 22. One category showed no change. And unit volume in the beleaguered internal analgesic category has returned to normal once again. Manufacturers of cold remedies had reasons to be cheerful.

The baby needs product group just made it into the plus column, with a gain of .1 percent. Nursing supplies had a gain of 4.3 percent, baby powders held even, and there were losses for baby oils, creams and lotions (−2.7 percent) and infant clothes (−.3 percent).

Among deodorants, sprays are moving upward consistently, triggered by sales of Impulse Body Spray from Lever Bros. The four-week gain for sprays, of 6.7 percent, is closing in on the high-flying stick deodorant rate of 11.1 percent. Also gaining ground were deodorant and talcum powders, with a 5.3 percent increase, and foot deodorants and athlete's foot remedies, with a 7.6 percent increase. Losers in this category were cream deodorants (−5.8 percent), roll-on deodorants (−5.2 percent), feminine deodorants (−1.8 percent) and feminine douches (−1.4 percent).

First-aid fared well. There was a 5.7 percent gain for first aid antiseptics (still being reinforced by new volume among cortisone entries), and a gain of 11.8 percent for first aid products.

Hair's in place

There were more category losses than gains among hair care needs. But the 17.4 percent increase for hair sprays along with the 1.8 percent gain for the high-volume shampoo category were sufficient to enable the entire product group to record a 2.7 percent gain.

The oral hygiene product group barely inched into the plus column, with a mere .4 percent rise. The loss was averted because of 14.6 percent gains for toothbrushes, 8.8 percent gains for denture cleaners, 3.4 percent for mouthwashes and 1.2 percent for breath fresheners. But toothpaste dropped (−3.1 percent) as did denture adhesives (−1.6 percent).

As for proprietary remedies, there was a four-week increase of over five million units, not including appetite suppressants, whose sales SAMI has just begun to report. (Activity in this category will not be judged for trends until 1984, when a year-to-year comparison of sales movement will be available.) The only cold remedy category to show a loss was nasal sprays, drops and inhalers, which dropped 1.4 percent. There were major increases among cough remedies, which posted a 15.4 percent gain, cold tablets, with a 11.0 percent increase, and chest rubs, 7.2 percent.

Unit sales of eye care products advanced 25.6 percent, the highest increase of any SAMI health and beauty aid category for this reporting period. Gains were also seen for internal analgesics, with a 4.7 percent rise; antacids, with a 3.9 percent increase, and external analgesics, with a gain of 2.1 percent. The most important loss, in volume, was in vitamins, with −19.7 percent.

Clean Shaves

The shaving need product group showed a 7.2 percent advance, as a result of strong performance in shaving creams, with 24.9 percent increase; razor blades, with an increase of 5.6 percent, and after-shave lotions, with a gain of 4.6 percent. There were two loss categories: razors and blades (−15.1 percent) and pre-shave lotions (−5.6 percent).

In the skin care aids product group, there are five categories whose volume SAMI measures. The only upward movement was seen in cosmetics and medicated skin aids, which showed a gain of 1.2 percent. The 44.3 percent loss for suntan lotion/suntan oil does not translate to many sales dollars in January. Of greater importance is a decline of 9.3 percent for hand and body creams and lotions, which is a category that is no longer being expanded by important new product introductions. Lip care products showed a loss of 6.8 percent; unit sales of facial preparations fell 1.9 percent. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 11/12/82	4 WEEKS ENDING 12/10/82	4 WEEKS ENDING 1/7/83
BABY NEEDS	**+ 0.5%**	**− 1.3%**	**+ 0.1%**
BABY POWDERS	+ 6.5	− 0.8	± 0.0
BABY OILS, CREAMS & LOTIONS	− 1.1	− 5.5	− 2.7
INFANT CLOTHES	− 4.3	+ 3.6	− 0.3
NURSING SUPPLIES	+ 1.4	+ 1.3	+ 4.3
DEODORANTS	**+ 4.1%**	**+ 5.8%**	**+ 3.1%**
SPRAYS	+ 1.2	+ 3.8	+ 6.7
ROLL-ON	− 7.9	− 2.9	− 5.2
STICK DEODORANTS & PADS	+26.2	+23.8	+11.1
CREAMS	− 3.9	− 4.4	− 5.8
DEODORANTS & TALCUM POWDERS	+ 2.2	+ 3.9	+ 5.3
FEMININE HYGIENE DEODORANTS	− 8.3	− 0.8	− 1.8
FOOT DEODORANTS & ATHLETE'S FOOT REMEDIES	+ 0.3	+ 2.0	+ 7.6
FIRST AID	**+12.6%**	**+14.8%**	**+12.4%**
ANTISEPTICS	+12.2	+12.6	+15.7
FIRST AID PRODUCTS	+12.7	+15.2	+11.8
HAIR CARE NEEDS	**+ 3.4%**	**+ 5.8%**	**+ 2.7%**
SHAMPOOS	+ 4.0	+ 6.7	+ 1.8
HAIR SPRAYS	+ 4.6	+ 9.0	+17.4
HAIR CONDITIONING RINSES	+ 3.5	+ 4.8	− 2.3
HAIR SETTING NEEDS	+ 4.3	+ 5.5	+ 3.8
HOME PERMANENT KITS	− 4.6	−10.8	−16.6
HAIR COLORING	+ 1.2	+ 0.7	− 3.6
HAIR DRESSING NEEDS	− 2.7	− 1.3	− 4.7
ORAL HYGIENE	**− 0.1%**	**+ 1.6%**	**+ 0.4%**
TOOTHPASTES & POWDERS	− 3.1	+ 1.6	− 3.1
MOUTHWASHES	+ 5.9	− 0.6	+ 3.4
BREATH FRESHENERS	− 4.9	+ 1.2	+ 1.2
DENTURE CLEANERS	+ 6.0	+ 8.8	+ 8.8
DENTURE ADHESIVES	+ 2.3	+ 1.7	− 1.6
TOOTHBRUSHES	+ 7.1	+ 2.0	+14.6
PROPRIETARY REMEDIES	**− 0.1%**	**+ 1.4%**	**+ 6.4%**
ANTACIDS	± 0.0	+ 1.6	+ 3.9
INTERNAL ANALGESICS	− 1.0	+ 5.6	+ 4.7
EXTERNAL ANALGESICS	+ 3.6	+11.7	+ 2.1
COLD TABLETS	− 6.3	− 0.3	+11.0
NASAL SPRAYS—DROPS—INHALERS	−12.7	−11.2	− 1.4
CHEST RUBS	− 9.0	− 7.1	+ 7.2
COUGH REMEDIES	+ 3.2	− 2.5	+15.4
LAXATIVES	− 1.0	+ 2.3	+ 3.2
SLEEPING AIDS	− 3.1	− 7.3	− 3.2
TRANQUILIZERS	−35.8	−46.5	−52.2
VITAMINS	+ 1.1	− 1.8	−19.7
EYE CARE PRODUCTS	+10.2	+15.6	+25.6
SHAVING NEEDS	**+ 1.0%**	**+ 4.6%**	**+ 7.2%**
SHAVING CREAMS	+ 7.5	+16.2	+14.9
PRE-SHAVE LOTIONS	+ 1.9	− 5.8	− 5.6
AFTER-SHAVE LOTIONS	+ 2.4	+ 8.6	+ 4.6
RAZOR BLADES	− 0.6	+ 1.4	+ 5.6
RAZORS & BLADES	−27.9	−23.1	−15.1
SKIN CARE AIDS	**− 1.7%**	**− 1.4%**	**− 5.5%**
HAND & BODY CREAMS & LOTIONS	− 3.4	− 5.2	− 9.3
FACIAL PREPARATIONS	− 5.8	− 5.5	− 1.9
LIP CARE PRODUCTS	+ 3.3	+ 3.3	− 6.8
SUNTAN LOTIONS & OILS	−11.4	+78.3	−44.3
COSMETIC & MEDICATED SKIN AIDS	+ 1.6	+ 4.1	+ 1.2
TOTAL ALL CATEGORIES	**+ 1.4%**	**+ 3.1%**	**+ 3.7%**

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WILL BIG STORES SQUEEZE OUT CONVENTIONAL SUPERMARKETS?

SUPERMARKET BUSINESS

FORMERLY
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VOLUME 38
NUMBER 5
MAY 1983

VONS VALUE CENTER

PAGE 18
VONS: VALUE CENTERS

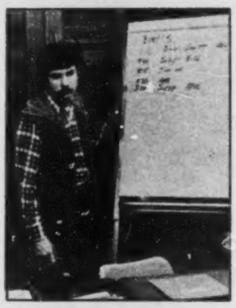
Looks are everything at two new Vons Value Centers in California: design is highly functional, and reflects Vons' new upscale approach to product presentation.

PAGE 22
McLANE COUNTRY: GOING FOR THE BILLION-DOLLAR BRASS RING

How do you turn a smallish wholesale grocery business into a $563 million giant? First, you get Drayton McLane Jr., head of McLane Company, and then you put together a hard-driving management force, and a company where everyone works on quality control, and where the ethic is a lot of hard work.

PAGE 34
WILL BIG STORES SQUEEZE OUT CONVENTIONAL SUPERMARKETS?

As more shoppers look for bargains at warehouse stores or for greater variety at super stores or combination stores, there seems to be a diminishing need for conventional supermarkets. Many operators feel that the conventional supermarket is not obsolete, but in order to survive it must fill a gap created by the other kinds of stores by serving consumers in ways the others cannot.



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NON-FOODS BUSINESS: NASM TESTS PARTICIPATORY CIRCLES

At Imperial Distributors, Auburn, Mass., a new productivity program, based on the concept of quality circles, and sponsored by the National Association of Service Merchandising, has shown impressive results after only a few months: new quality control standards, and a 50 percent productivity improvement in the returns warehouse, to name two.

SUPER FOOD BARN
BULK FOOD

PAGE 80
SAFEWAY'S SUPER FOOD BARN: USING BULK FOR DISCOUNT IMAGE

"Super" Food Barns differ from other Food Barns, since all major departments are maintained—including service delis and bakeries.

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PACKAGING & PROMOTING
PERIODICALS AND PAPERBACKS
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HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 1/7/83	4 WEEKS ENDING 2/4/83	4 WEEKS ENDING 3/4/83
BABY NEEDS	**− 1.3%**	**+ 0.1%**	**− 2.8%**
BABY POWDERS	− 0.8	± 0.0	− 3.6
BABY OILS, CREAMS & LOTIONS	− 5.5	− 2.7	− 1.8
INFANT CLOTHES	+ 3.6	− 0.3	−16.9
NURSING SUPPLIES	+ 1.3	+ 4.3	+ 3.2
DEODORANTS	**+ 5.8%**	**+ 3.1%**	**+ 0.3%**
SPRAYS	+ 3.8	+ 6.7	+ 1.1
ROLL-ON	− 2.9	− 5.2	− 4.2
STICK DEODORANTS & PADS	+23.8	+11.1	+ 7.0
CREAMS	− 4.4	− 5.8	− 8.9
DEODORANTS & TALCUM POWDERS	+ 3.9	+ 5.3	− 4.2
FEMININE HYGIENE DEODORANTS	− 0.8	− 1.8	−15.0
FOOT DEODORANTS & ATHLETE'S FOOT REMEDIES	+ 2.0	+ 7.6	− 2.9
FIRST AID	**+14.8%**	**+12.4%**	**+ 9.5%**
ANTISEPTICS	+12.6	+15.7	+ 8.0
FIRST AID PRODUCTS	+15.2	+11.8	+ 9.8
SHAMPOOS	+ 6.7	+ 1.8	+ 4.0
HAIR SPRAYS	+ 9.0	+17.4	+ 5.9
HAIR CONDITIONING RINSES	+ 4.8	− 2.3	−12.4
HAIR SETTING NEEDS	+ 5.5	+ 3.8	+ 2.0
HOME PERMANENT KITS	−10.8	−16.6	−10.7
HAIR COLORING	+ 0.7	− 3.6	− 3.1
HAIR DRESSING NEEDS	− 1.3	− 4.7	− 4.2
ORAL HYGIENE	**+ .16%**	**+ 0.4%**	**− 5.0%**
TOOTHPASTES & POWDERS	+ 1.6	− 3.1	− 9.4
MOUTHWASHES	− 0.6	+ 3.4	+ 3.6
BREATH FRESHENERS	+ 1.2	+ 1.2	+ 1.4
DENTURE CLEANERS	+ 8.8	+ 8.8	+ 9.3
DENTURE ADHESIVES	+ 1.7	− 1.6	− 0.4
TOOTHBRUSHES	+ 2.0	+14.6	+ 1.7
PROPRIETARY REMEDIES	**+ 1.4%**	**+ 6.4%**	**+12.0%**
ANTACIDS	+ 1.6	+ 3.9	+ 2.1
INTERNAL ANALGESICS	+ 5.6	+ 4.7	+10.8
EXTERNAL ANALGESICS	+11.7	+ 2.1	+ 5.6
COLD TABLETS	− 0.3	+11.0	+25.6
NASAL SPRAYS—DROPS—INHALERS	−11.2	− 1.4	+ 3.0
CHEST RUBS	− 7.1	+ 7.2	+14.4
COUGH REMEDIES	− 2.5	+15.4	+17.0
LAXATIVES	+ 2.3	+ 3.2	+ 4.7
SLEEPING AIDS	− 7.3	− 3.2	− 4.4
TRANQUILIZERS	−46.5	−52.2	−31.5
VITAMINS	− 1.8	−19.7	+ 0.9
EYE CARE PRODUCTS	+15.6	+25.6	+15.8
SHAVING NEEDS	**+ 4.6%**	**+ 7.2%**	**+ 8.7%**
SHAVING CREAMS	+16.2	+14.9	+ 6.9
PRE-SHAVE LOTIONS	− 5.8	− 5.6	− 2.0
AFTER-SHAVE LOTIONS	+ 8.6	+ 4.6	+ 4.4
RAZOR BLADES	+ 1.4	+ 5.6	+10.7
RAZORS & BLADES	−23.1	−15.1	−21.4
SKIN CARE AIDS	**− 1.4%**	**− 5.5%**	**− 9.0%**
HAND & BODY CREAMS & LOTIONS	− 5.2	− 9.3	−19.5
FACIAL PREPARATIONS	− 5.5	− 1.9	− 0.2
LIP CARE PRODUCTS	+ 3.3	− 6.8	− 7.3
SUNTAN LOTIONS & OILS	+78.3	−44.3	+18.6
COSMETIC & MEDICATED SKIN AIDS	+ 4.1	+ 1.2	+ 0.1
TOTAL ALL CATEGORIES	**+ 3.1%**	**+ 3.7%**	**+ 2.9%**

SAMI UPDATE:

Proprietary Remedies Propel Health and Beauty Aids Volume In February

Sales in all health and beauty aid categories measured by SAMI for the period ending March 4, 1983, did not quite match the four-week gains of the preceding period. But the increase of 2.9 percent still points to a continued upward unit volume trend.

Proprietary remedies paced the growth items. During the most recent reporting period, there were four product groups that showed gains, ranging from a high of 10.8 percent in the case of proprietary remedies, to a low of .3 percent for the eight deodorant categories, combined.

Four product groups fell behind levels of a year ago, with unit volume ranging from a loss of nine percent for skin care aids to a loss of 2.8 percent for baby needs.

At the product category level, there were 27 with four-week unit volume increases and 22 with unit-volume losses.

In baby needs, there was only one category that showed any forward movement: nursing supplies, with a gain of 3.2 percent. There was a loss of 16.9 percent in the infant clothes category.

Stick to it

Sticks are still increasing share among deodorants, but the latest four-week gain rate of seven percent is somewhat lower than the increases measured recently. Spray deodorants are continuing to show growth, as a result of new volume from Impulse body sprays. The other six categories monitored by SAMI all had four-week volume declines, ranging from a loss of 15 percent for feminine hygiene deodorants, to a loss of 1.2 percent for feminine douches. The unit gains for the high-volume spray and stick categories were sufficiently strong to result in an overall gain of .3 percent for the entire product group.

Once again, in the first aid section, there was strong activity, especially among antiseptics and first aid products. The movement averaged out to 9.5 percent for the two categories combined. Bandages were in good demand among first aid products.

The hair care needs product group had mixed movement; total poundage was down just one-tenth of a percentage point. Four categories had reduced shipments, headed by hair conditioning rinses, down 12.4 percent for the four-week period—this in spite of volume from new products, particularly Finesse from Helene Curtis and For Oily Hair Only from Gillette.

All major brands of home permanent kits fell behind levels of a year earlier, and total volume category dipped 10.7 percent. There were two high-volume hair care categories; increases were attributable to a large extent to successful new product introductions: shampoo and hair spray, ahead four and five percent, respectively. In the second category, For Oily Hair Only and Finnesse were new and national hair sprays. New product volume also came from Jhirmack and Silkience.

Tooth decay

Oral hygiene product group volume suffered a loss of five percent, as a result of weakness in the toothpaste category, which itself had a 9.4 percent decline. This loss is set against levels of a year ago, which had shown sales vitality with new gel formulas from Colgate and Crest.

In the mouthwash category, which had a four-week gain of 3.6 percent, Johnson & Johnson's Act product introduction helped to increase overall category volume. There was also volume in the denture cleaner category, aided by the launching of Polident Smokers.

As noted earlier, the big thrust among HBA categories came from proprietary remedies. Among the 12 categories in this product group measured by SAMI, the only losses were for the low volume categories, sleeping aids (-4.4 percent) and tranquilizers (-31.5 percent). All cold remedies, including internal analgesics, showed gains over the preceding year's four-week period, especially cold tablets, with a gain of 25.6 percent. Cough remedies gained 17 percent in volume, and chest rubs gained 14.4 percent. Eye care products continue to show expanded volume, 15.8 percent.

Unit sales of shaving needs rose 8.7 percent as a result of a 10.7 percent gain for razor blades. Shaving creams enjoyed an upsurge of 6.9 percent, a continuation of a prolonged trend, possibly portending the disappearance of some of the beards that proliferated in the 70s. Razor sets and pre-shave lotion fell behind 21.4 percent and two percent, respectively.

We have now seen four consecutive periods of unit volume gains in the HBA department. Onward and upward. □

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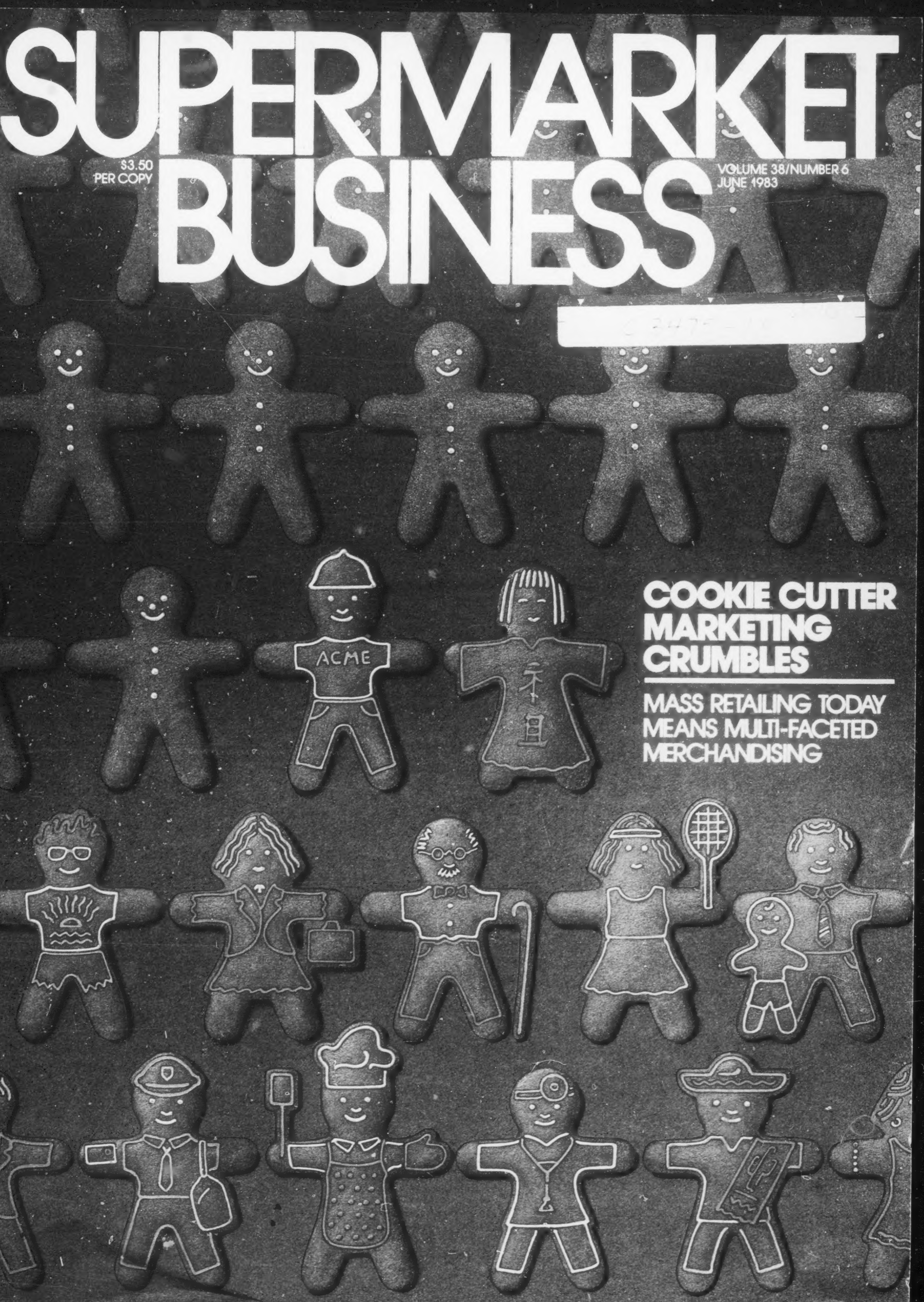

COOKIE CUTTER MARKETING CRUMBLES

MASS RETAILING TODAY MEANS MULTI-FACETED MERCHANDISING

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VBPA ☆ABP

PAGE 15
COOKIE-CUTTER MARKETING CRUMBLES: THE NEW MULTI-MARKETS

No two consumers are exactly alike, especially in the Eighties. Consumers—of all ages, ethnic groups and lifestyles—are more and more sophisticated, and their needs are varied. Shoppers now demand to be treated individually—not just as part of the crowd. Supermarket retailers and manufacturers are responding with larger, more diverse and specialized stores, and more "healthful" products.

PAGE 21
STOP & SHOP TAKES ON TAKE-OUT

"Express yourself," is the theme of the Foods to Go section at Stop & Shop's new super store in New Milford, Conn. Customers can have pizzas custom-made, can try fresh soups, indulge in creativity at the 56-item salad bar, or try some of the fresh pasta (in several varieties), which is available 24 hours a day.

PAGE 23
NON-FOODS BUSINESS: TIME OUT FOR A PROFITABILITY CHECK

GM/HBA profits are not automatic. Presentation, planning and evaluation are essential for good performance in the area. A well-known distributor offers some guidelines on managing GM/HBA for consistent profits.

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BETTING ON BULK

Today's shoppers don't look to bulk just for cheaper items, but for quality, "personalized quantity," and even cachet. Bulk foods are a new success for many operators. But others hesitate. One hitch: confusion over conflicting local health policies on bulk merchandising—which are just now being sorted out.

OTHER FEATURES AND COLUMNS

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SPECIAL FEATURE:

A Talk With Craig Claiborne

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The noted food writer of the New York Times talks with SUPERMARKET BUSINESS about changes he's noticed in the American way of eating and shopping: our growing sophistication, and the democratization of "gourmet" foods.

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SAMI UPDATE:
March Was a Healthy Month for Majority Of HBA Categories

March represented the fifth SAMI reporting period in a row in which unit sales of health and beauty aids volume rose in comparison with the corresponding year-earlier period.

The overall gain of 2.4 percent for the period ending April 1, 1983 was less than the 2.9 per-

Continued on page 27

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 2/4/83	4 WEEKS ENDING 3/4/83	4 WEEKS ENDING 4/1/83
BABY NEEDS	**+ 0.1%**	**− 2.8%**	**+ 2.9%**
BABY POWDERS	± 0.0	− 3.6	+ 1.3
BABY OILS, CREAMS & LOTIONS	− 2.7	− 1.8	+ 6.5
INFANT CLOTHES	− 0.3	−16.9	− 5.2
NURSING SUPPLIES	+ 4.3	+ 3.2	+ 2.6
DEODORANTS	**+ 3.1%**	**+ 0.3%**	**− 1.6%**
SPRAYS	+ 6.7	+ 1.1	+ 3.8
ROLL-ON	− 5.2	− 4.2	−10.0
STICK DEODORANTS & PADS	+11.1	+ 7.0	+ 2.6
CREAMS	− 5.8	− 8.9	− 1.4
DEODORANTS & TALCUM POWDERS	+ 5.3	− 4.2	− 1.5
FEMININE HYGIENE DEODORANTS	− 1.8	−15.0	−13.7
FOOT DEODORANTS & ATHLETE'S FOOT REMEDIES	+ 7.6	− 2.9	− 3.4
FIRST AID	**+12.4%**	**+ 9.5%**	**+ 8.9%**
ANTISEPTICS	+15.7	+ 8.0	+ 6.3
FIRST AID PRODUCTS	+11.8	+ 9.8	+ 9.5
HAIR CARE NEEDS	**+ 2.7%**	**− 0.1%**	**− 1.0%**
SHAMPOOS	+ 1.8	+ 4.0	+ 4.1
HAIR SPRAYS	+17.4	+ 5.9	− 0.6
HAIR CONDITIONING RINSES	− 2.3	−12.4	−12.7
HAIR SETTING NEEDS	+ 3.8	+ 2.0	+ 9.3
HOME PERMANENT KITS	−16.6	−10.7	− 5.8
HAIR COLORING	− 3.6	− 3.1	− 2.2
HAIR DRESSING NEEDS	− 4.7	− 4.2	− 1.8
ORAL HYGIENE	**+ 0.4%**	**− 5.0%**	**− 1.5%**
TOOTHPASTES & POWDERS	− 3.1	− 9.4	− 4.4
MOUTHWASHES	+ 3.4	+ 3.6	+ 4.8
BREATH FRESHENERS	+ 1.2	+ 1.4	+14.0
DENTURE CLEANERS	+ 8.8	+ 9.3	+ 8.0
DENTURE ADHESIVES	− 1.6	− 0.4	− 3.6
TOOTHBRUSHES	+14.6	+ 1.7	+ 2.4
PROPRIETARY REMEDIES	**+ 6.4%**	**+12.0%**	**+ 6.4%**
ANTACIDS	+ 3.9	+ 2.1	+ 4.4
INTERNAL ANALGESICS	+ 4.7	+10.8	+ 7.9
EXTERNAL ANALGESICS	+ 2.1	+ 5.6	+ 0.1
COLD TABLETS	+11.0	+25.6	+11.1
NASAL SPRAYS—DROPS—INHALERS	− 1.4	+ 3.0	− 4.5
CHEST RUBS	+ 7.2	+14.4	+ 4.8
COUGH REMEDIES	+15.4	+17.0	+ 8.5
LAXATIVES	+ 3.2	+ 4.7	+ 4.6
SLEEPING AIDS	− 3.2	− 4.4	− 0.0
TRANQUILIZERS	−52.2	−31.5	−21.2
VITAMINS	−19.7	+ 0.9	+ 1.3
EYE CARE PRODUCTS	+25.6	+15.8	+12.7
SHAVING NEEDS	**+ 7.2%**	**+ 8.7%**	**+ 7.3%**
SHAVING CREAMS	+14.9	+ 6.9	+ 8.1
PRE-SHAVE LOTIONS	− 5.6	− 2.0	− 1.5
AFTER-SHAVE LOTIONS	+ 4.6	+ 4.4	+ 0.2
RAZOR BLADES	+ 5.6	+10.7	+ 8.6
RAZORS & BLADES	−15.1	−21.4	−22.2
SKIN CARE AIDS	**− 5.5%**	**− 9.0%**	**− 1.0%**
HAND & BODY CREAMS & LOTIONS	− 9.3	−19.5	−11.0
FACIAL PREPARATIONS	− 1.9	− 0.2	+ 5.8
LIP CARE PRODUCTS	− 6.8	− 7.3	+ 8.2
SUNTAN LOTIONS & OILS	−44.3	+18.6	+ 5.2
COSMETIC & MEDICATED SKIN AIDS	+ 1.2	+ 0.1	+ 3.1
TOTAL ALL CATEGORIES	**+ 3.7%**	**+ 2.9%**	**+ 2.4%**

SHARE THE WEALTH...
Put the #1 selling cold tablet in pharmacies on your shelf*

SUDAFED PLUS syrup
Sudafed S.A.
12 HOUR
sudafed syrup
SUDAFED COUGH syrup
SUDAFED PLUS
sudafed 30 mg tablets
Sudafed S.A.
#1 SELLER
OUR FASTEST GROWING WINNER!

SUDAFED is the #1 selling cold tablet*

According to Pipeline data, SUDAFED 30 mg tablets in packages of 24s leads both Contac® and Dristan® in pharmacy sales.

And you can continue to draw on an already profitable picture by displaying the entire SUDAFED line:

SUDAFED® S.A.
A sustained-action nasal decongestant for potent 12-hour relief without drowsiness. (Available as 120 mg capsules in packages of 10s and 40s. Not recommended for children under 12 years of age.)

SUDAFED® PLUS
For symptomatic relief of colds and allergy.

SUDAFED® COUGH SYRUP
For potent cough relief.

SUDAFED® SYRUP
For reliable decongestion — tasty raspberry flavor.

SUDAFED® ...A complete line of cold products to improve your "bottom line"
(pseudoephedrine hydrochloride)

*Pipeline, April 19[illegible]

Wellcome
Burroughs Wellcome Co.
Research Triangle Park
North Carolina 27709

NonFoods BUSINESS

Continued from page 23

shopper confronts the display. The more traffic exposure, the greater the sales.

2. *Fixture Design:* Displays should be tailored to the unique nature of each category. They should organize product for ease of shopping, facilitate restocking and housekeeping, and help control inventory balance and depth.

3. *Product Selection.* The "cookie cutter approach" of automatically placing every item in every store is not acceptable.

Item selection and planograms must be tailored to space available and keyed to actual movement histories, demographics, and the seasonal nature of the product. A full-line program will require 4,000 to 5,000 SKU's to even begin to meet basic consumer needs.

4. *Pricing Strategy:* Pricing must be consistent with the total store strategy. Margin objectives must be set and monitored by product category. *Sensitive items must be checked regularly against the marketplace.* But remember, the majority of GM/HBA items are not particularly price sensitive.

5. *Inventory Control:* This is the heart of any successful nonfoods program. Even in a full size store, *over 50 percent of the items will sell at a rate of less than one piece per week.* Therefore, the ability to order in piece quantities is important, especially for lower volume stores. Price labels should have date coding for easy evaluation of overstocks. Shelf tags should reflect maximum build-up levels for every item.

Gear pricing to your overall strategy. Regularly check sensitive items against the marketplace. But don't overreact and give away the department—most GM/HBA items are not particularly price-sensitive.

6. *Guaranteed Sale:* Over 50 percent of the items on the shelf today didn't even exist five years ago. Ten to 15 percent of your item selection needs to be deleted every year to keep pace with new product introduction. The ability to move out discontinued product and leftover promotions requires either a guaranteed sales program or a very aggressive markdown program.

7. *Appearance Maintenance:* Nothing hurts the sales of impulse oriented items more than dirty, disorganized displays. GM/HBA requires *extra* attention to dusting, rotation, blocking out and price maintenance.

8. *Off-Shelf Displays:* A planned program of in-and-out displays, price promotions, seasonal offerings, and J-hooks will account for up to 15 percent of total GM/HBA sales.

9. *Data Based Decisions:* Objectives and financial performance standards need to be developed for every product category and results reviewed on a scheduled basis. Key performance indicators should include retail sales, product margins and allowances, direct product expenses, and ratios related to the productivity of space and capital invested.

10. *"People Power":* Programs and systems are important but *people* really do make the difference. Effective (and profitable) GM/HBA programs call for a high degree of specialized knowledge, thorough training, and constant supervision. GM/HBA is *not* a job for a part-time clerk.

In short, don't leave your nonfoods net profits to chance. Focus on the basics; pay attention to the details of execution, especially in regard to maintaining a balanced inventory. The result is performance that lives up to the category's full profit potential. ■

May & Co. provides a complete line of health and beauty aid and general merchandise products on a full service basis to over 2,200 food stores in the Southeast. The customer base is evenly divided between regional supermarket chains, independent supermarkets and convenience food stores.

SAMI

Continued from page 24

cent increase during the preceding four-week period, but the current gains are now coming on top of strong performances a year ago versus the 1981 late winter and spring periods.

There were four product groups with four-week unit volume growth and four with declines. The highest growth rates by product group were gains of 8.9 percent for first aid and 7.3 percent for shaving needs, while downside losses were held to less than two percent among deodorants (−1.6 percent), hair care needs (one percent), oral hygiene (−1.5 percent) and skin care aids (−1.0 percent). At the product category level, there were 29 with plus volume and 20 with minuses.

The greatest category gain was +14.0 percent for the low volume breath freshener category, while the weakest trend was in the even lower volume proprietary tranquilizer category.

SAMI measures movement in four baby needs categories and during the current period there were four-week unit gains in three of these. In the prior four-week period there were losses in three categories versus the year-ago period. Infant clothes show a loss for both periods, while nursing supplies have been posting several consecutive rates of gain.

Among deodorant categories, the most recent period shows a higher growth rate for spray deodorants than for sticks, a category no longer expanding as a result of important new product launchings. The other six categories in the deodorants product group all had unit volume decreases in March. The sharpest drop among the higher volume categories was for roll-ons which recorded a 10 percent drop.

Two SAMI first-aid categories are showing upward growth, although at a slightly decreasing rate of gain, first aid products (+9.5 percent) and first aid antiseptics (+6.3 percent).

Volume of all seven hair care needs categories combined fell one percent, the second period in a row with negative movement. The only categories with growth were shampoo (+4.1 percent) and hair setting needs (+9.3 percent). The sharpest loss occurred in the high volume hair conditioning rinse category (−12.7 percent), where year-earlier volume had been expanded by new product activity.

The loss of 1.5 percent for the oral hygiene product group was largely the result of reduced volume for toothpaste and powder (−4.4 percent). The only other category where a four-week decline was registered was denture adhesives, which fell 3.6 percent. New Polident Smokers Formula helped to increase unit volume eight percent among denture cleaners.

Some of the preceding period's upward thrust in the cough and cold remedies categories was reduced, and a loss was recorded among nasal sprays-drops-inhalers. The rate of increase among internal analgesics dropped to 7.9 percent, as compared with a growth rate of 10.8 percent during the period ending March 4, 1983. Cold tablets, chest rubs and cough remedies all enjoyed increased unit volume in March but at lower rates of improvement than were seen in the preceding period. Eye care products continue to expand at a double-digit growth pace. Vitamins show minor improvement in their growth rate.

Shaving needs overall showed good growth, resulting from strong performance by razor blades (+8.6 percent) and shaving creams (+8.1 percent). The "weak sister" among these items was razors and blades, in which all major brands lost volume once again.

The one percent loss among skin care aids was due entirely to reduced volume of 11.0 percent in the hand and body cream-lotions category. In the corresponding period, a year ago, volume in this category expanded as a result of important new product proliferation.

During the four weeks ending April 1, 1983, there were gains for lip care products (+8.2 percent), suntan lotion-suntan oil (+5.2 percent), facial preparations (+5.8 percent) and cosmetic & medicated skin aids (+3.1 percent). ■

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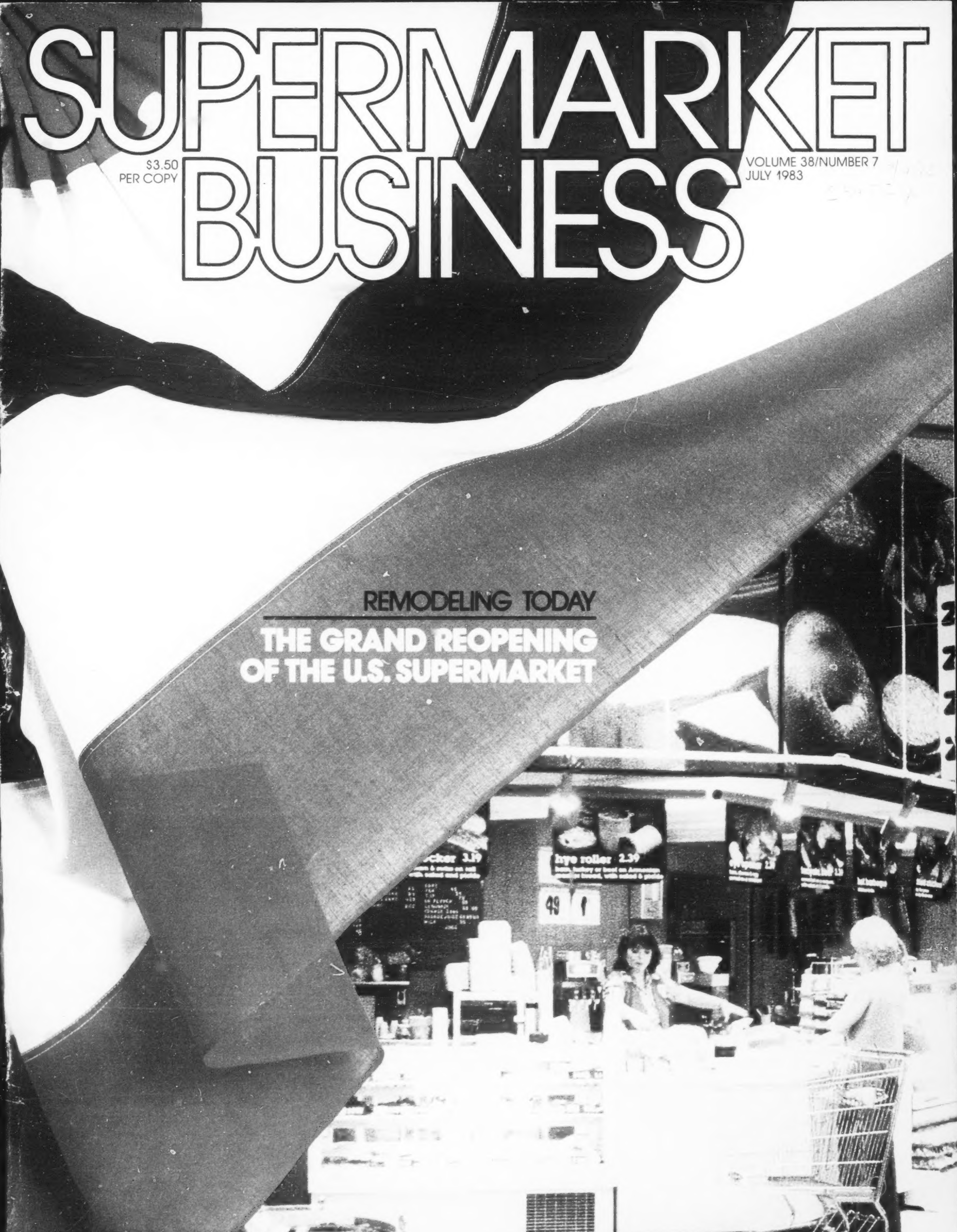
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REMODELING TODAY

THE GRAND REOPENING OF THE U.S. SUPERMARKET

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SUPERMARKET BUSINESS

VOLUME 38
NUMBER 7
JULY 1983

PAGE 13
REMODELING TODAY: THE GRAND REOPENING OF U.S. SUPERS

Remodeling today isn't just a paint job—it's a whole new way of looking at design as a means of increasing market share. It's an expensive proposition, but it pays off when it's done right. Everywhere the emphasis is on freshness and service: from Ralphs, in California, to Fazio's in northeastern Ohio, to Grand Union on the East Coast and A&P in New Jersey. Here's an exciting inside overview.

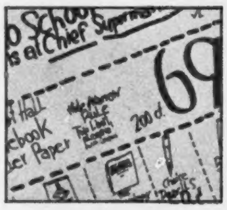
save
plainwrap
quality guaranteed
$1

PAGE 26
GENERICS STILL DRAINING PRIVATE LABELS

It's too early to tell whether generics have reached their plateau. But they're doing surprisingly well in the said-to-be-unassailable image categories: cigarettes and beer.

FACING PAGE 26:
INSTORE BUSINESS SPECIAL SUPPLEMENT: TAKING THE MEASURE OF SERVICE OPERATIONS*

Here's an indepth overview of some top-flight deli/bakery/restaurant operations and how they're merchandised. Plus: Results of our First Annual Deli/Bake Operations Review.
*Appearing in selected editions only



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NONFOODS BUSINESS: AWARD WINNING ADS THAT WORK

Nonfoods advertising that is both clear and creative can result in more turns on high margin items. It can also enhance your store's full variety image.

PAGE 32
SHIFTING GEARS IN THE AUTOMOTIVE AFTERMARKET

Motor oil manufacturers have taken notice of the needs of the supermarket operator and the supermarket shopper with redesigned packages that are easier to sell and to use. The trick for retailers: Building a steady motor oil business that results in high-profit impulse sales of related items.

OTHER FEATURES AND COLUMNS

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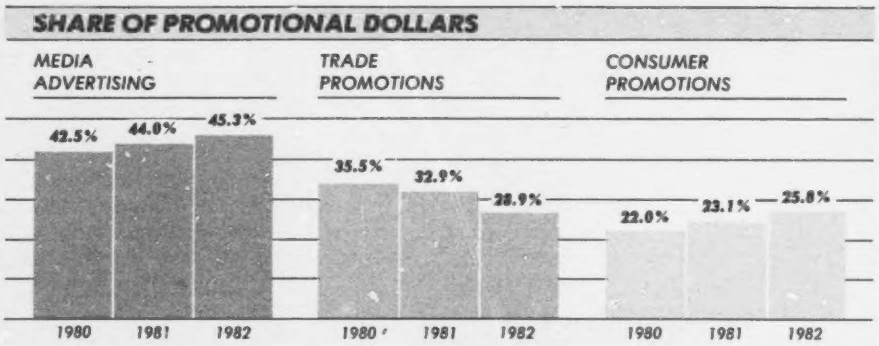
TRADESCAN


SHARE OF PROMOTIONAL DOLLARS

Consumer Promotions Continue Strong

STAMFORD, Conn.—Couponing is still the most popular form of promotion used by manufacturers. Consumer promotions are, in fact, on the increase. Manufacturers turn to them more often than trade promotions.

These are some of the findings of the Fifth Annual Survey of Promotional Practices, sponsored by Donnelly Marketing. Richard Vincent, director of marketing services at Donnelly Marketing, believes that the increase in consumer promotions stems from a desire among manufacturers for greater price control. Unlike trade deals, consumer promotions ensure that a saving is passed on to the consumer directly. These promotions fall into two categories, Vincent says, those intended to promote the initial use of a product, and those designed to "reward" loyal customers (with on-package couponing, for instance).

The 1982 report is based on 64 responses to a confidential questionnaire, which was sent out to marketing executives of manufacturing companies across the nation. Respondents were divided evenly between companies with annual sales of $1 billion and up, and those earning less than $1 billion a year.

Manufacturers use a variety of promotions. Couponing leads the list (as it has since the first survey in 1978), with 93 percent of the respondents using it. Here are some other findings:

☐ **Different coupon types.** Most manufacturers use on-pack coupons (92 percent, up from 85 percent in 1981). There were also increases in the use of free-standing inserts and manufacturers' ads in newspapers, in direct mail coupons and coupons in magazines. There were declines in the use of co-op and retailer in-ad coupons.

☐ **Dollar importance of coupon types.** Forty-eight percent of the respondents spent more money on free-standing inserts than on any other kind of coupon. And although on-pack coupons were used by more respondents than any other type of coupon, only three percent of the manufacturers spent more money on these than on other coupon types. The biggest gain in this category is in direct mail coupons. In 1981, seven percent of the respondents had had this at the top of their lists, while in 1982, 17 percent did. ■

Food Industry Supports 1983 Special Olympics

CHICAGO—Food suppliers and manufacturers are lending their support to the 1983 Summer Special Olympic Games. And in return they are receiving both personal satisfaction and the opportunity to market certain food products.

The Special Olympics program gives handicapped children and adults the chance to develop and test their athletic abilities.

IGA is coordinating contributions of both cash and food, which will be used to feed the more than 3,000 participants and chaperones attending the International Special Olympics. Already on the donation bandwagon are the H.J. Heinz Company, the J.M. Smucker Company, Quaker Oats, Kellogg's, General Mills and others.

Leaf Confectionery is continuing its support of the Special Olympics as an International Bronze Medal sponsor, which denotes a $1,000 contribution. In addition, Leaf will again donate Pal Bubble Gum to the athletes and sponsor both a Pal Bubble Gum Blowing contest and the appearance of Miss America, Debra Sue Maffett.

Leaf has supported the Special Olympics for the past seven years.

Retailers in the Washington D.C./Maryland area are also getting involved. The Sunnyland Refining Company is testing Special Olympic sponsorship in this area, and will give 50 cents from each case of Superman Peanut Butter purchased by participating retailers to D.C. and Maryland Special Olympic chapters. The money was used to sponsor regional games last month, and some of the participating athletes go on to attend the International Games in July.

The Special Olympics program was founded in 1963 by the Joseph P. Kennedy Foundation. Regional and state games are held annually; International Games are held every four years. This year's International events will run July 12-18, in Baton Rouge, Louisiana. ■

Catfish Continued

image. However, successful campaigns have proven that this can be overcome. CFA-sponsored market promotions can increase catfish sales by up to 60 percent immediately, with a long-term increase of up to 40 percent.

And as consumers continue the trend toward more nutritionally and economically sound food, the industry expects to further the advances it has made in recent years. In Mississippi, the leading catfish farming state, 1977's 17,000 acres of catfish ponds have increased to the 62,289 acres registered last December. And an increase of up to 15,000 additional acres is predicted for this year.

Furthermore, according to Mark Freeman, executive vice president of CFA, sales increases have matched those of acreage. 1982 sales were 69 percent higher than those of the previous year, and similar growth is expected to occur during 1983.

Last year, the United States imported three billion dollar's worth of fish. With their eyes firmly fixed on this segment of America's seafood market, catfish farmers are steadily making their way into the nation's supermarkets and restaurants. ■

A Portrait of Shoplifters

VAN NUYS, Calif.—If your picture of the average shoplifter is a wary-eyed woman in a bulging overcoat, think again. Most shoplifters, especially at supermarkets, are men. Most still, however, conceal their lifted goods under articles of clothing.

Last year, well over a billion dollars' worth of merchandise was shoplifted from the nation's supermarkets. The average store has an estimated eight shoplifting incidents a day. The average theft totals $10.77.

These are just the top of a long list of statistics revealed by Commercial Service Systems, Inc.'s Twentieth Annual Shoplifting Report.

For supermarkets, the report's data were tabulated from 17,653 shoplifter apprehension reports, received from 762 stores. Also included in the report's findings were data on shoplifting incidents in drug stores and discount stores. Eighty-nine percent of all stores surveyed were located in Southern California; the remaining 11 percent were located in nine other Western and Mid-Western states.

Although regional and local variations do exist, Commercial Service Systems vice president Roger Griffin believes that the survey's statistics reflect the nation's overall shoplifting situation.

CSS hopes that greater understanding of shoplifting and the individuals who engage in it will help to demystify the crime, and lead to an increased commitment in stores' internal apprehension policies. The report points out "potential shoplifters are ever-present in the retail environment. The number of shoplifters apprehended is proportional to the effort to apprehend."

The following are some of the report's findings for supermarkets in 1982:

☐ On the average, 3.1 items were recovered. Of these items, 39.5 percent were valued at $1 to $5, 23.4 percent at $5 to $10 and 18.2 percent at $10 to $25.

☐ 57.5 percent of adult shoplifters apprehended were male, and 42.4 percent female.

☐ The three primary methods of concealment were: under clothing (31.3 percent), inside the purse (27.9 percent) and in the pocket (21.5 percent).

☐ Food products accounted for 48.1 percent of items stolen. ■

After six years, they're still here, but . . .

Generics draining private labels

The big question about generics is: Have they reached their highest plateau or are comparative net sales still increasing? SAMI won't know until later in the year when like operators can be compared for similar periods.

Generic labels, it appears, have gained a measure of respectability in the marketplace, if for no other reason than that they are still with us. Indeed, for some markets and some supermarket operators, generics have been around for six years or more. While much of the marketing debate about why and what they are has largely abated, consumers seem to accept the fact that in certain categories generics offer a reasonable bargain and fulfill their purpose.

While generics still represent largely a trade-off in quality in favor of price, this need not always be the case. However, as manufacturers of branded products offer more special allowances and special price packs, the price advantage of generics is not always large enough to produce automatic sales. Still, available data on the performance of generics indicate that the "no names" can still carve out a respectable share of market in certain categories.

One of the categories that certainly surprised many supermarket observers is cigarettes. According to John C. Maxwell, Jr., a security analyst who tracks brand share in cigarettes and other grocery categories, generic cigarettes now have 2.5 pecent of the cigarette market, up from less than one percent at the end of the third quarter of 1982. With the increase in excise taxes (from 8 cents to 16 cents per pack as of January, 1983), the price spread between generics and brands becomes more meaningful, according to Maxwell.

Price differentials, according to Gary Tobacco Co. (Liggett & Meyers), leading manufacturer of generics and private label cigarettes, are now as much as $1.50 to $2 per carton. Gary claims to have over two percent share of the total cigarette market, representing over $260 million in retail sales. The success of generic cigarettes is especially noteworthy since this is a category which has never known success for any kind of private label until now.

Generic cigarettes are a special phenomenon among total generics in another way. Sales of most generic product categories, according to SAMI data, come at the expense of regular private labels. But in the case of cigarettes there was no regular private label (except those now being offered) from which the sales could be taken.

A category that might prove to produce similar sales performance is generic label beer—another example where private label was never successful in the past.

Sales performance of total private labels, including generics, as reported by Selling Areas Marketing Inc., has been down slightly for the first quarter of 1983.

Continued on page 27

save up to 30
plain wrap
quality guaranteed
$1.
save up to 30
plain wrap

Ralphs lacked a strong private label program before generics, so generics were a good, competitive move.

Share of market trends by department for generic labels, regular private labels and total private labels

52-Week Data — period ending 3/4/83		Department	12-Week Data — period ending 3/4/83	
Current dollar share	Share point change (vs. year ago)		Current dollar share	Share point change (vs. year ago)
Total private label (including generic labels)				
15.23%	±0	Dry Grocery: Food	15.55%	−0.06
13.01	+0.42	Dry Grocery: Non-Food	13.27	+0.22
14.63	+0.11	Total Dry Grocery	14.95	±0
22.01	−1.16	Frozen	22.11	−1.55
27.84	−0.73	Refrigerated	27.71	−0.67
25.44	−0.94	Frozen & Refrigerated	25.33	−1.06
3.99	+0.15	Health & Beauty Aids	3.94	−0.06
16.76	**−0.13**	Grand Total	**16.97**	**−0.29**
Regular private label				
12.65%	−0.50	Dry Grocery: Food	12.88%	−0.20
9.32	−0.27	Dry Grocery: Non-Food	9.43	−0.01
11.74	−0.46	Total Dry Grocery	11.97	−0.17
20.24	−1.67	Frozen	20.55	−1.46
26.38	−1.13	Refrigerated	26.26	−0.80
23.85	−1.39	Frozen & Refrigerated	23.83	−1.10
3.14	−0.10	Health & Beauty Aids	3.08	−0.25
14.32	**−0.64**	Grand Total	**14.49**	**−0.42**
Generic label				
2.58%	+0.50	Dry Grocery: Food	2.67%	+0.14
3.69	+0.69	Dry Grocery: Non-Food	3.84	+0.23
2.88	+0.56	Total Dry Grocery	2.98	+0.17
1.77	+0.51	Frozen	1.56	−0.10
1.46	+0.40	Refrigerated	1.46	+0.14
1.59	+0.45	Frozen & Refrigerated	1.50	+0.04
0.85	+0.26	Health & Beauty Aids	0.86	+0.18
2.44	**+0.51**	Grand Total	**2.48**	**+0.13**

Data courtesy of SAMI

Generics Continued

Continued from page 26

towels
57¢
save 30%
guaranteed
save

Generic labels are normally integrated into regular categories at Ralphs, but fast movers also get feature treatment.

Total private label share of sales were off 0.29 percent for the first quarter compared with the same period a year ago.

Regular private labels showed an even greater loss in share points for the period, off 0.42 percent.

Generic labels showed a slight gain of 0.13 percent, with increases in all categories reported except frozens. Generic label frozens were down 0.10 percent. Dry grocery—non-foods showed the largest gain in generic label share, up 0.23 percent, which managed to produce almost all the gain for total private label in this category 0.22 percent.

One of the important questions to be asked about generic labels is whether the gains now being made are a result of additional lines being carried by like operators, as well as operators who are adding generics to their product lines. As of now, this question cannot be answered totally, although SAMI feels that those operators who are going to add generics have probably done so by this time. Later in the year, a new SAMI study will show a comparison of like operators for two like 52-week periods. This report should provide a definitive answer to the question of whether sales of generic labels have stabilized or whether they are still growing as a regular category.

In most categories, other than those such as cigarettes and beer, where private labels have not been a dominant performer or even a good performer, it would have to be concluded that generics have become just another private label. They still have a small share of the total all-commodity volume, 2.44 percent. But the total is growing at a fairly healthy rate, currently better than 20 percent.

For some supermarket operators, such as Ralph's Grocery Co. (Compton, Calif.), generics have actually become the strong private label, where there had not been an important private label program before. The same can probably be said for Pathmark in the East. ■

texize

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Mead Johnson Nutritional Division
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HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 3/4/83	4 WEEKS ENDING 4/1/83	4 WEEKS ENDING 4/29/83
BABY NEEDS	**– 2.8%**	**+ 2.9%**	**+ 3.9%**
BABY POWDERS	– 3.6	+ 1.3	+ 6.1
BABY OILS, CREAMS & LOTIONS	– 1.8	+ 6.5	+ 3.3
INFANT CLOTHES	–16.9	– 5.2	+ 2.6
NURSING SUPPLIES	+ 3.2	+ 2.6	+ 3.8
DEODORANTS	**+ 0.3%**	**– 1.6%**	**+ 2.8%**
SPRAYS	+ 1.1	+ 3.8	+ 4.0
ROLL-ON	– 4.2	–10.0	– 5.6
STICK DEODORANTS & PADS	+ 7.0	+ 2.6	+10.0
CREAMS	– 8.9	– 1.4	– 1.5
DEODORANTS & TALCUM POWDERS	– 4.2	– 1.5	+ 2.6
FEMININE HYGIENE DEODORANTS	–15.0	–13.7	– 5.7
FOOT DEODORANTS & ATHLETE'S FOOT REMEDIES	– 2.9	– 3.4	+ 0.7
FIRST AID	**+ 9.5%**	**+ 8.9%**	**+ 7.9%**
ANTISEPTICS	+ 8.0	+ 6.3	+11.6
FIRST AID PRODUCTS	+ 9.8	+ 9.5	+ 6.9
HAIR CARE NEEDS	**– 0.1%**	**– 1.0%**	**– 1.6%**
SHAMPOOS	+ 4.0	+ 4.1	+ 0.1
HAIR SPRAYS	+ 5.9	– 0.6	+ 2.6
HAIR CONDITIONING RINSES	–12.4	–12.7	– 9.5
HAIR SETTING NEEDS	+ 2.0	+ 9.3	+ 5.5
HOME PERMANENT KITS	–10.7	– 5.8	–11.5
HAIR COLORING	– 3.1	– 2.2	– 2.3
HAIR DRESSING NEEDS	– 4.2	– 1.8	+ 0.9
ORAL HYGIENE	**– 6.0%**	**– 1.5%**	**+ 2.4%**
TOOTHPASTES & POWDERS	– 9.4	– 4.4	+ 0.9
MOUTHWASHES	+ 3.6	+ 4.8	+ 4.6
BREATH FRESHENERS	+ 1.4	+14.0	+ 0.6
DENTURE CLEANERS	+ 9.3	+ 8.0	+ 7.9
DENTURE ADHESIVES	– 0.4	– 3.6	– 1.9
TOOTHBRUSHES	+ 1.7	+ 2.4	+ 6.7
PROPRIETARY REMEDIES	**+12.0%**	**+ 6.4%**	**+ 8.0%**
ANTACIDS	+ 2.1	+ 4.4	+ 6.8
INTERNAL ANALGESICS	+10.8	+ 7.9	+ 9.3
EXTERNAL ANALGESICS	+ 5.6	+ 0.1	+11.4
COLD TABLETS	+25.6	+11.1	+10.9
NASAL SPRAYS—DROPS—INHALERS	+ 3.0	– 4.5	– 1.6
CHEST RUBS	+14.4	+ 4.8	+ 4.7
COUGH REMEDIES	+17.0	+ 8.5	+ 8.3
LAXATIVES	+ 4.7	+ 4.6	+10.1
SLEEPING AIDS	– 4.4	– 0.0	+ 7.4
TRANQUILIZERS	–31.5	–21.2	–23.5
VITAMINS	+ 0.9	+ 1.3	+ 1.0
EYE CARE PRODUCTS	+15.8	+12.7	+ 8.0
SHAVING NEEDS	**+ 8.7%**	**+ 7.3%**	**+ 5.6%**
SHAVING CREAMS	+ 6.9	+ 8.1	+ 7.0
PRE-SHAVE LOTIONS	– 2.0	– 1.5	– 5.9
AFTER-SHAVE LOTIONS	+ 4.4	+ 0.2	+ 2.9
RAZOR BLADES	+10.7	+ 8.6	+ 5.9
RAZORS & BLADES	–21.4	–22.2	– 8.4
SKIN CARE AIDS	**– 9.0%**	**– 1.0%**	**– 4.8%**
HAND & BODY CREAMS & LOTIONS	–19.5	–11.0	– 8.9
FACIAL PREPARATIONS	– 0.2	+ 5.8	+ 9.0
LIP CARE PRODUCTS	– 7.3	+ 8.2	+13.9
SUNTAN LOTIONS & OILS	+18.6	+ 5.2	–26.2
COSMETIC & MEDICATED SKIN AIDS	+ 0.1	+ 3.1	+ 0.2
TOTAL ALL CATEGORIES	**+ 2.9%**	**+ 2.4%**	**+ 3.5%**

SAMI UPDATE:

HBA Springs Ahead In April

April was another banner month for the sale of health and beauty aids products in food stores.

SAMI unit movement figures for the four weeks ending April 29, 1983, show a 3.5 percent increase over the corresponding period a year ago. This is the highest rate of increase since a 3.7 percent gain for the period ending February 4, 1983, and the sixth reporting period in a row with increased volume over 1982.

Among the eight product groups that SAMI monitors, six had increased volume. These were led by proprietary remedies, which were ahead eight percent, and first aid products, up 7.9 percent.

Declines were seen in skin care aids, off 4.8 percent, and haircare needs, with a loss of 1.6 percent for the 28-day period.

SAMI measures the food store volume of all brands and items in 49 different health and beauty aids categories. During the four weeks ending April 29, 1983, there were 36 health and beauty aids product categories with unit sales gains and only 13 registering volume declines.

In six categories, there were double-digit sales gains. First aid antiseptics topped the list, with an increase of 11.6 percent, followed by external analgesics, with 11.4 percent.

The biggest declines were found in categories with relatively low volume, such as tranquilizers (down 23.5 percent), and home permanent kits (with a loss of 11.5 percent). The heavy weather in much of the country in April may help to account for a loss of 26.2 percent in unit sales of suntan lotions and oils.

Among baby needs, there were unit sales increases in all four categories. These ranged from a high of 6.1 percent for baby powders to a low of 2.6 percent for infant clothes.

In the deodorant group, stick deodorants increased their share with a 10 percent gain. Spray deodorants are continuing to show volume gains largely because of strength from the national roll-out of Impulse Body Deodorants within the past year. There were losses in roll-ons, (a decline of 5.6 percent), feminine hygiene products (down 5.1 percent) and creams (down 1.5 percent).

Both first aid antiseptics and first-aid products remained strong sellers, with four-week gains of 11.6 percent and 6.9 percent, respectively.

In the hair care needs sector, there were four gains and three losses. But the combined sales in all seven categories resulted in a product group loss of 1.6 percent.

A loss of 9.5 percent in unit sales of hair conditioning rinses was enough to put the entire hair care needs product group into the minus column. The other two categories with declines were home permanent kits (down 11.5 percent) and hair coloring (with a loss of 2.3 percent).

In the oral hygiene product group, SAMI tracks six categories. In April there were unit volume gains in all but denture adhesives, which had a loss of 1.9 percent. The highest rates of gain were for denture cleansers, up 7.9 percent, and toothbrushes, up 6.7 percent.

In the high-volume mouthwash category, unit sales rose 4.6 percent in part as a result of added sales caused by the introduction of a new product, Act Mouth Wash.

Medicinal purposes

A uniformly healthy sales picture is seen in the proprietary remedies product group. Tranquilizer movement fell 23.5 percent, but on a very small volume base. Sales of nasal sprays/drops/inhalers fell 1.6 percent for the four-week period, but the other three cold remedy categories flourished. There was a gain of 10.9 percent for cold tablets, 8.3 percent for cough remedies and 4.7 percent for chest rubs.

Among shaving needs, there were two categories with losses, but both were on small volume bases. There was a decline of 5.9 percent for pre-shaving lotions, and a loss of 8.4 percent for razors and blades. This was in contrast to an upsurge of seven percent for shaving creams and 5.9 percent for razor blades.

The final product group is skin care aids. Here, three categories had gains and two suffered losses. But the combined volume caused a drop of 4.8 percent overall, as a result of the decrease of 26.2 percent for suntan lotions and suntan oils, as well as a loss of 8.9 percent for hand and body creams and lotions.

Lip care products showed a unit-sales increase of 13.9 percent. Facial preparation volume increased nine percent. Sales of cosmetic and medicated skin aids were up minimally, 0.2 percent.

So far in 1983, the health and beauty aids section in food stores is outperforming the other broad product departments. This is indeed a healthy situation. □

instore BUSINESS

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PAGE 5A
FIRST ANNUAL DELI/BAKERY SURVEY

Delis and bakeries are among the fastest growing, most exciting service departments in supermarkets. But little is known in any overall way about their structure: what items they carry, how profits are determined, what labor is required and many other factors. INSTORE BUSINESS's survey examines how these special departments work for those who have them, and how they might work as a profit maker for those who don't.

BAKERY OPERATIONS REVIEW

Responses show that most retailers are concerned with finding the right product mix . . . and then the proper labor percentage to protect the bottom line.

DELI OPERATIONS REVIEW

There's a great future for deli operations, according to survey responses. Needed for success: entrepreneurialism, experimentation, high quality goods and top-notch service.

PAGE 14A
SLUGGING BACK WITH SERVICE

When Safeway opened a super store in Laramie, Wyo., business at independent John Shuster's store dropped. So he expanded—with a new bakery, sausage smokehouse, deli and a new sunroom deli restaurant. Now, customers are back . . . for sit-down quality lunches at a bargain price, and year-round socializing in the sunshine.

PAGE 16A
CATERING:
SERVING UP A PARTY
. . . SUPERMARKET STYLE

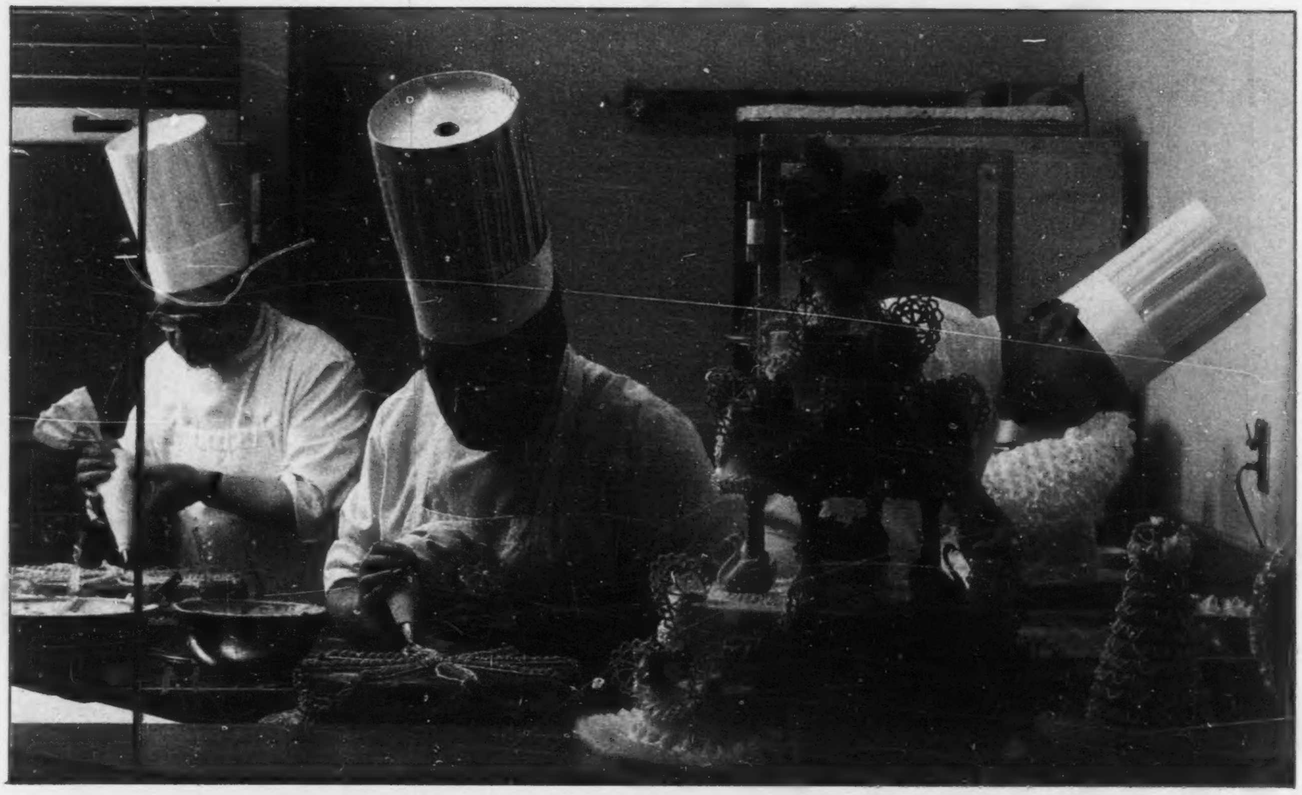
Giving the customer what he wants is what counts in catering. Here's how two top companies approach catering differently . . . but very successfully.

BYERLY'S:
The keys are careful planning, freelance, top quality help, and the inimitable Byerly's touch.

PUBLIX:
Standardizing party plates gives Publix a better chance to promote and advertise what it has, and to take advantage of a lot of seasonal and holiday opportunities.

PAGE 21A
HOW TO NOT SELL
A PARTY PLATTER

Ever try ordering a party platter? We did . . . and maybe you should.



TAKING THE MEASURE OF SERVICE OPERATIONS

Service departments are where the action is in the supermarket business today.

They're an important competitive edge of the retailer, an exciting growth market for the food and equipment supplier . . . and a lively new area of interest for the shopper bored beyond words with the tedium of shopping in a fluorescent box.

This issue of INSTORE BUSINESS examines two pivotal service areas. They are pivotal because they offer you more opportunity to create a store personality, express creativity, demonstrate variety, and cater to your customers' taste than do any other areas of the food store today.

Instore delis have just about saturated today's supermarkets.

Instore bakeries, ranging from complete scratch operations to small bake-offs of a few fast moving items, are fast approaching the status of standard departments.

While these relatively new departments are continuing to evolve and expand to meet the growing demand for "fresh" and more and more personal service, little is known, in any definitive, nationwide way, about what items they carry, the profit structure, the labor requirements, the relative cost of ingredients, the means of supply, or the equipment required.

To establish a benchmark of parameters of this burgeoning and rapidly changing area of the supermarket, INSTORE BUSINESS has conducted its first annual operations survey of the deli and fresh bakery departments (see next page).

The survey provides considerable insight into today's deli/bakery operations. It also provides some attitudinal answers to how operators feel about these departments and their place in the future.

Some of the highlights of the survey reveal, for example, that most instore delis rely on their store's own departments for supplies needed for prepared foods. On the other hand, food service wholesalers/distributors supply most ingredients for instore deli food service.

While delis range over a wide spectrum when it comes to size, a sizeable number – 12 percent of those responding – have delis of 1,500 to 2,000 square feet. Average weekly sales are about $5,000; again, a good number, 10 percent, have sales above $10,000 per week.

When it comes to sales in 1982 versus 1981, better than two-thirds of respondents report an increase. An even higher percentage expect to see sales increase in 1983 over sales of 1982.

Just as with delis, instore bakeries come in all sizes, with a median of 950 square feet. A good 13 percent have bakeries of 1,500 to 2,000 square feet.

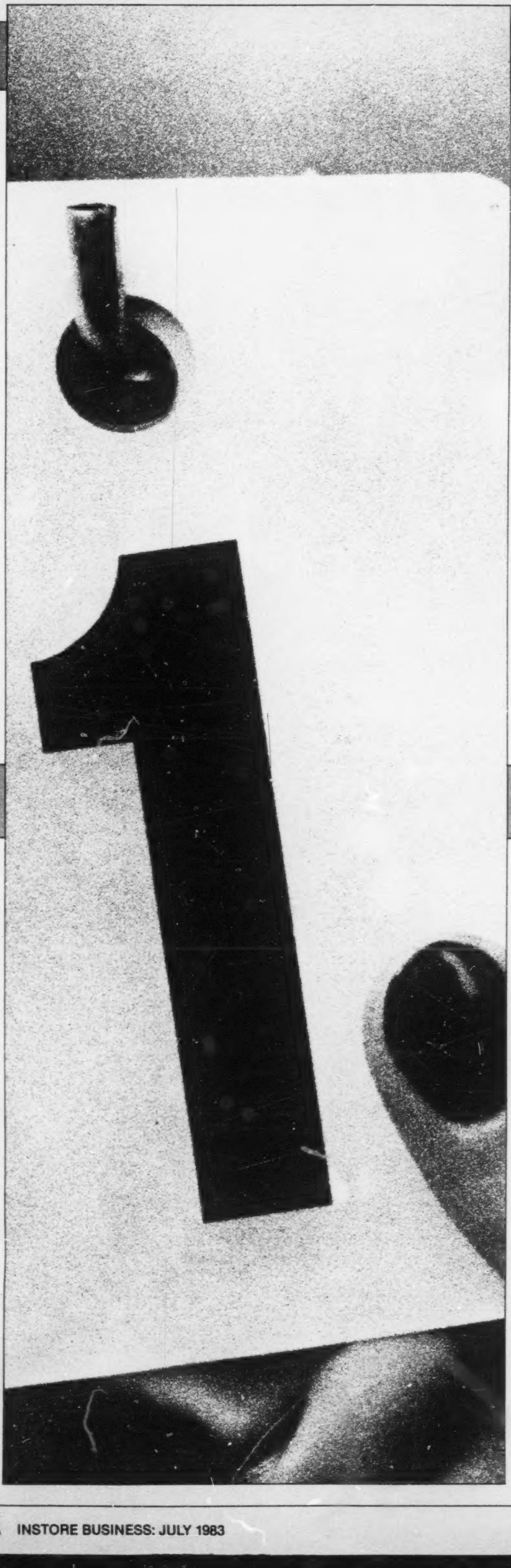
Median weekly sales of instore bakeries is $3,200, but 11 percent have sales from $6,000 to $10,000. Operators also report increased sales in 1982, and overwhelmingly expect greater growth in 1983.

Taken together, here are two instore departments that contribute greatly to a store's shopping attractiveness, and also can provide $1 million annually in store sales, with median gross margins from 25 percent to 38 percent.

Many other details are reported in the pages that follow on the number of employees required, methods of instore preparation, means of supply, and relative importance of items offered. We think you'll find them useful benchmarks for evaluating your own performance in these high-opportunity fast-changing areas.

Our close-up on catering (page 16) highlights two very different – yet each successful – approaches to the party preparation market and why they work. Our photo story on Ideal North (page 14) shows how one Wyoming independent is building his business by merchandising his deli in an unusual way.

In short, this issue of INSTORE BUSINESS is a SUPERMARKET BUSINESS "service department" with as much merchandising variety as your own bakery or deli. ☐



Annual Operations Survey

DELI

"The future looks very promising" . . . "A great future" . . . "The way of the future." That's how operators who participated in Instore Business' first annual Service Deli Operation Review set the tone for this report. To a greater degree than almost any other department, the service deli succeeds on the caliber of the entrepreneurial creativity which supports it. The responses from 136 participants, representing 9,934 stores, suggest a pervasive spirit of experimentation — in what is offered in the department as well as in how it is merchandised.

NOTE: For meaningful comparison with your own operations, two types of averages are shown in this report. The **mean** is a straight arithmetic average. The **median** represents the central value when the responses are arrayed in rank order; therefore, half the respondents gave an answer higher than the median and half gave a lower answer.

BAKERY

"When fighting for increased market share to overcome deflation, you need all the variety you can get to keep old customers and lure new ones. An instore bakery is rapidly becoming a must." The remarks of this operator exemplify why supermarkets and bakeries are coming to be regarded as naturally complementary as doughnuts and coffee. But the responses from the 86 operators, representing 3,885 stores, who participated in the mail survey which is the basis for this research report suggest that life with a bakery isn't all chocolate icing either. Most of their concern focuses on finding the right method of production for the right product mix, and then controlling labor costs to protect the bottom line.

Service Deli Operations Review

No longer an optional department, the deli is your opportunity area in which to shine.

Size of Department

Square Feet Of Space		Share of Total Store Space
Mean	**932 Square Feet**	**4.2%**
Median	**612 Square Feet**	**3.4%**

Square Feet	
500 or less	43%
501-750	12
751-1000	16
1001-1500	11
1501-2000	12
2001-2500	3
Over 2500	3
Total	100%

Percent Share	
Under 1.0	6%
1.0-2.5	32
2.6-5.0	32
5.1-7.5	15
7.6-10.0	13
Over 10.0	2
Total	100%

The median size of a store with a service deli is only 20,000 square feet. Of course the likelihood of a store including this facility rises along with store size. Only one store in 10 allots more than 2,000 feet to the deli operation.

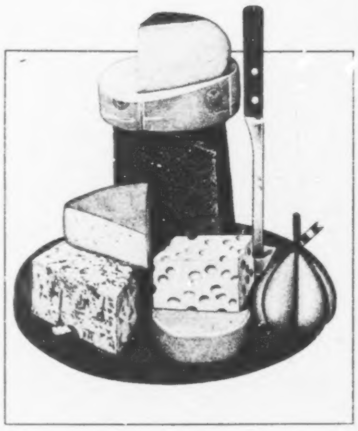
Number of Employees

Full Time	**2.8**
Part Time	**5.1**
Full Time Equivalent*	**5.3**

FTE Employees	
1-2	10%
3-4	39
5-9	43
10-14	6
Over 14	2
Total	100%

*2 part-time = 1 full-time employee.

Service delis, on average, employ 1.8 part-timers for each full-time employee. Training programs are part of 54% of the operations. While on-the-job training plays an important role, some larger companies offer special seminars as well.



Instore Bakery Operations Review

Life with a bakery isn't all sugar and spice. But if done right—the right production methods, the right mix and the right cost controls—it's more than a powerful draw. It's a profit producer.

Size of Department

Square Feet Of Space		Share of Total Store Space
Mean	**1,249 Square Feet**	**5.5%**
Median	**950 Square Feet**	**4.1%**

Square Feet	
500 or less	21%
501-750	10
751-1000	27
1001-1500	17
1501-2000	13
2001-2500	3
Over 2500	9
Total	100%

Percent Share	
Under 1.0	4%
1.0-2.5	19
2.6-5.0	37
5.1-7.5	20
7.6-10.0	13
Over 10.0	7
Total	100%

Allocating space for an instore bakery is a major commitment, usurping about one foot in 20 of total store space. Most of the space, of course, goes to preparation rather than display and selling. This doesn't mean, however, that only big guys can play the bakery game — almost half the respondent stores had fewer than 20,000 feet of total space.

Number of Employees

Full Time	**3.4**
Part Time	**4.0**
Full Time Equivalent*	**5.4**

FTE Employees	
1-2	19%
3-4	25
5-9	47
10-14	8
Over 14	1
Total	100%

*2 part-time = 1 full-time employee

With specialized skills essential to this department's success, full timers play a greater role than they do in deli. Six out of 10 operations have training programs for bakery personnel, sometimes in cooperation with suppliers.

■ Service Deli Operations Review

Nearly 70% of responding operators expect the deli to grow in share of total store sales this year.

■ Average Weekly Sales

Mean	**$4,932**
Median	**$4,000**
$1,000 or less	3%
$1,001–$2,000	10
$2,001–$3,000	19
$3,001–$4,000	19
$4,001–$5,000	15
$5,001–$6,000	12
$6,001–$10,000	12
Over $10,000	10
Total	100%

■ Share of Total Store Sales

Mean	**4.0%**
Median	**3.5%**
% of Total Sales	
0.1–1.9	7%
2.0–2.9	27
3.0–3.9	23
4.0–4.9	23
5.0 or more	20
Total	100%

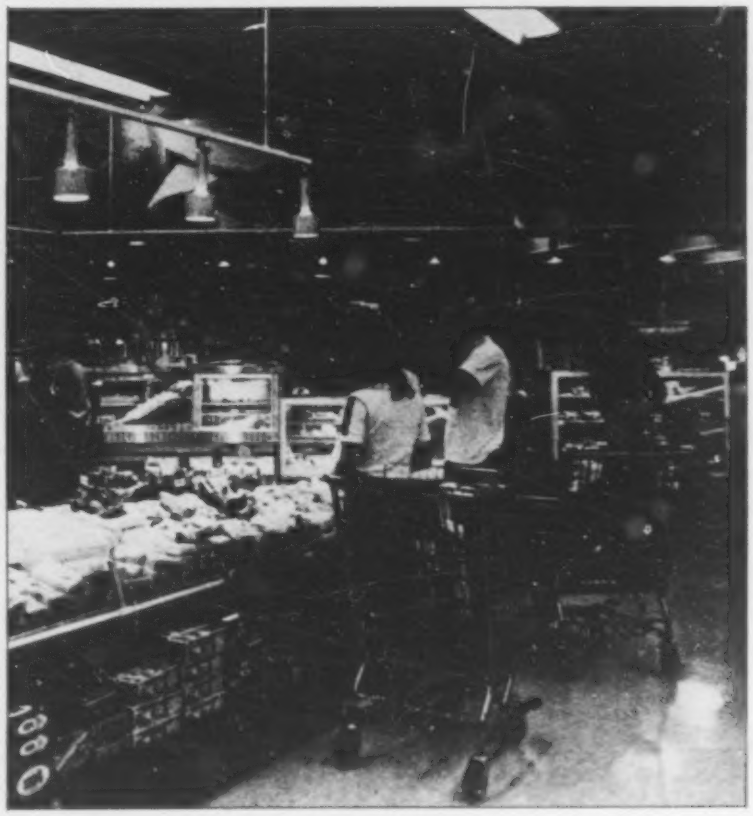
■ Change in Dollar Sales (1982 Vs. 1981)

Higher	67%
No Change	29
Lower	4
Total	100%

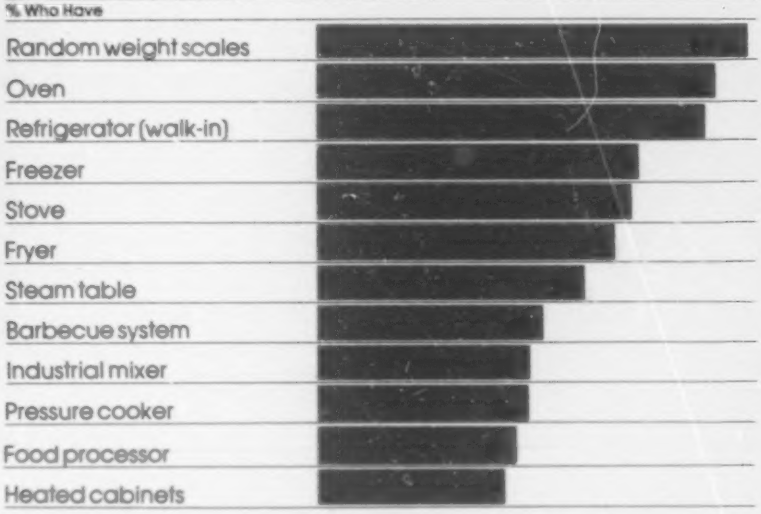
■ Change in Share of Total Store Sales

	82 Vs. 81	83 Vs. 82
Increase Share	64%	72%
No change	29	27
Decrease Share	7	1
Total	100%	100%

Half the service deli operations are registering sales of over $4,000 a week. Deli is definitely perceived as a "growth" department, as seven out of 10 expect it to increase its share of total store sales this year.



■ The Well-Equipped Service Deli



In addition to basic equipment, special equipment is added for specialized food preparation. Respondents cited special equipment purchases to prepared pizza, fish, coffee and doughnuts, for example.

■ Gross Margins

Mean	**40.0%**
Median	**38.0%**
30% or less	14%
31–35	26
36–40	18
40–44	6
45–49	19
50–54	13
55% or more	4
Total	100%

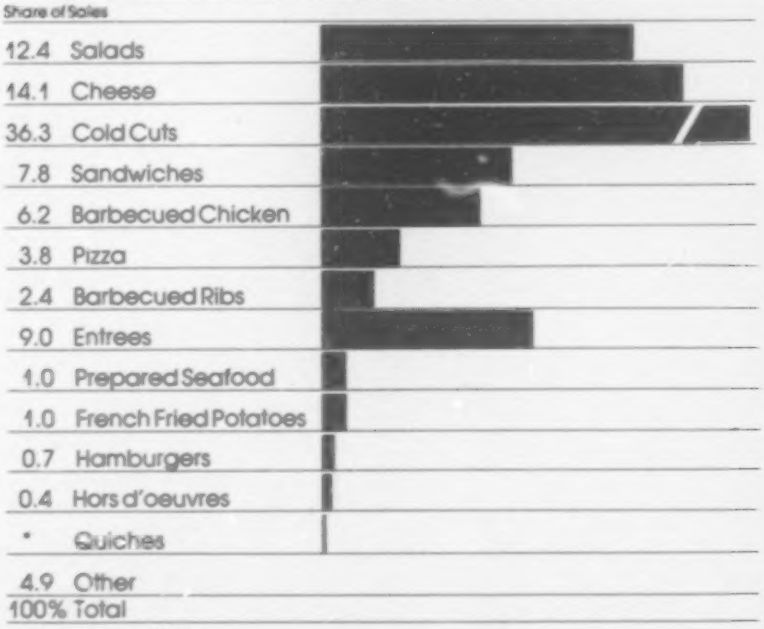
■ How Much for Labor

Labor as a Percent of Service Deli Department Sales

Mean	**22.5%**
Median	**20.0%**
10–15%	20%
16–20	32
21–25	24
26–30	14
31–35	5
36 or more	5
Total	100%

About one sales dollar in five is allotted to the department's labor costs. As a result, gross margins in this labor-intensive operation frequently average in the forties, or even 50% or more.

■ Portioning Out the Service Deli Dollar



*less than 0.1%

From pasta to pizza to pita bread, new ethnic items are being added in an attempt to lure shoppers away from competing fast-food outlets. A surge in Mexican specialty-type items appears to be building.

New equipment is being purchased to prepare pizzas, fish, coffee, doughnuts and other take-out fare.

■ Who Supplies Service Delis

PREPARED FOODS	% Companies Supplied By*
Store's Own Departments	77%
Grocery Wholesaler	42
Own Central Commissary	18
Outside Commissary	18
Other	6

INGREDIENTS	% Companies Supplied By*
Food Service Wholesaler/ Distributor	71%
Store's Own Departments	61
Food Service Manufacturer	17

*Includes multiple answers.

Most operations draw on more than one source for both their prepared foods and their ingredients. Central commissaries which supply prepared foods are still relatively rare.

■ Advertising and Promotion Sell the Deli

	% Using
Newspapers	88%
Sampling	79
Point of Purchase	67
Circulars	52
Radio	44
Television	13

In addition to the traditional vehicles for promotion, sampling is a favorite in service deli. This type of personalized selling "keeps the supermarket from being a sterile place to shop" according to one sampling advocate.

■ Measures of Productivity

Average Weekly Sales Per Square Foot of Space	
Mean	**$5.29**
Median	**$6.53**
Under $5.00	37%
$5.01–$10.00	32
$10.01–$20.00	25
Over $20.00	6
Total	**100%**

Average Weekly Sales Per Employee*	
Mean	**$913**
Under $500	11%
$501–$1000	45
$1001–$2000	41
$2001–$3000	3
Total	**100%**

*Full-time equivalent.

The performance of service deli on these two traditional indicators is, at first glance, less than outstanding. It should be pointed out, however, that the space includes that used for food preparation as well as that used for selling. And much of the employees' time, of course, is used in food preparation and in time-consuming personal service.

■ How Customers Spend

Percent Who Shop the Deli	
Mean	**27.4%**
Median	**25.0%**

How Much They Spend	
Mean	**$2.85**
Median	**$2.94**
Under $2.00	33%
$2.01–$3.00	34
$3.01–$4.00	21
Over $4.00	12
Total	**100%**

While many operators seem unsure just how many of their customers do stop to shop at their service deli, their estimates average out at about one in four. The department is perceived as being useful in influencing store image. "I think service deli is needed and wanted by the customers, and is an image builder if you do it well," is one retailer's impression.

Wunderfest
Specialities from Germany
Specialities from Germany
German Cheese Festival

We've Got A New Way To Merchandise An Old World Taste

It's a fact, most Americans prefer German cheese. But you've got to get them to try it, to buy it. We'll show you how, with in-store promotions and merchandising techniques that attract your customers to imported German cheese. The rich, mild flavors and smooth creamy textures speak for themselves.

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German Cheese. Good Taste Is Our Specialty.

FOR INFORMATION CIRCLE 040 ON READER SERVICE CARD.

Instore Bakery Operations Review

Variety's value is acknowledged. But if you have to choose between variety and quality, you're better off doing a few things well.

Methods of Preparation

	Mix	Scratch	Bake-off
White Bread and Rolls	22%	17%	71%
Variety Bread and Rolls	25	23	71
Yeast-Raised Doughnuts	44	14	56
Cake Doughnuts	59	15	28
Sweet Goods	28	18	70
Danish	21	17	71
Cookies	16	28	75
Pies	9	15	86
Decorated Cakes	46	27	38
Custom-Decorated Cakes	52	30	32
Layered Cakes	45	26	39

NOTE: Includes multiple answers.

Who Supplies Instore Bakeries

	Bakery Distributor/ Supplier	Grocery Wholesaler	Ingredients Manufacturer	Wholesale Baker
Mix	57%	33%	18%	4%
Bake-off	36	66	10	8
Finished Goods	34	40	8	21
Scratch	54	27	32	7

NOTE: Includes multiple answers.

Few stores rely on one method of production for all their instore bakery product lines. Even most scratch "purists" defect to mix or bake-off for some products. Several respondents suggest that further movement toward bake-off is inevitable. A typical comment: "I believe the future for instore bakeries is great, especially the bake-off products. They are constantly improving the items."

Average Weekly Sales

Mean	**$3,834**
Median	**$3,200**

$1,000 or less	5%
$1,001-$2,000	19
$2,001-$3,000	25
$3,001-$4,000	22
$4,001-$5,000	10
$5,001-$6,000	5
$6,001-$10,000	11
Over $10,000	3
Total	100%

Change in Sales (1982 Vs. 1981)

Higher	61%
No Change	33
Lower	6
Total	100%

Share of Total Store Sales

Mean	**2.5%**
Median	**2.3%**

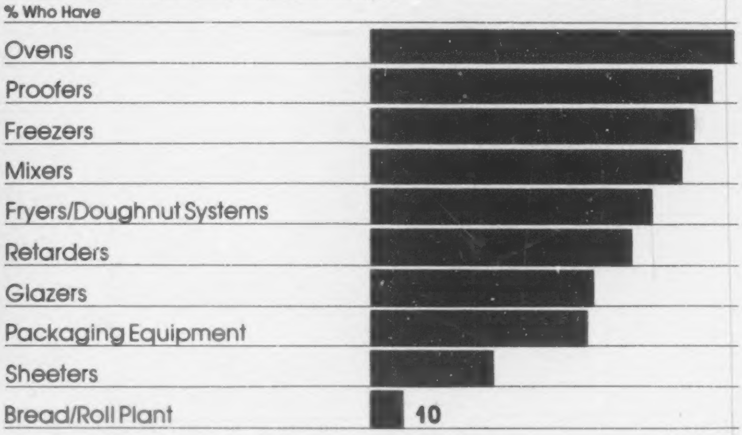
% of Total Sales	
0.1-1.9	25%
2.0-2.9	45
3.0-3.9	18
4.0-4.9	3
5.0 or more	9
Total	100%

Change in Share of Total Store Sales

	82 Vs.81	83 Vs.82
Increase Share	58%	69%
No change	31	24
Decrease Share	11	7
Total	100%	100%

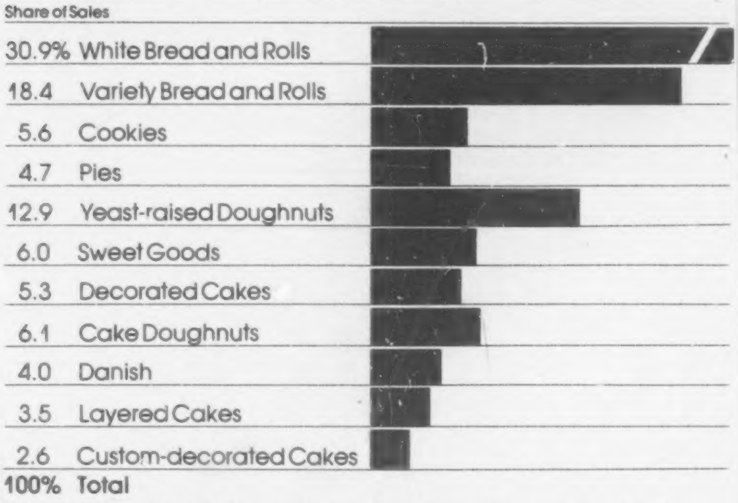
Only 30% report that their instore bakeries account for more than three percent of total store sales. Any disenchantment with relatively low sales is offset by enthusiasm for the department's magnetism in drawing customers in to shop the whole store.

The Well-Equipped Instore Bakery



Labor-saving equipment is an on-going attraction, with several respondents citing rack ovens as a recent purchase.

Portioning Out the Instore Bakery Dollar



The most frequent additions to bakery lines these days are doughnuts, croissants, bagels and new types of breads, such as sunflower seed or garlic. But too much variety can undermine profit according to one operator. "A balance must be struck," he advises, "between satisfying the customers' desire for variety and operating the department at a profit."

■ How Much for Labor

Labor as a Percent of Instore Bakery Department Sales

Mean	**31.6%**
Median	**30.0%**
10–15%	2%
16–20	7
21–25	12
26–30	33
31–35	16
36 or more	30
Total	**100%**

Labor costs are a major source of worry to operators. As a result they are receptive to equipment that saves on manhours (and on energy too if possible). One manager's summary: "I'm using more equipment — and less labor!"

■ Measures of Productivity

Average Weekly Sales Per Square Foot of Space

Mean	**$3.07**
Median	**$3.37**
Under $5.00	69%
$5.01–$10.00	22
$10.01–$20.00	9
Total	**100%**

Average Weekly Sales Per Employee*

Mean	**$710**
Under $500	15%
$501–$1000	68
$1001–$2000	17
Total	**100%**

*Full-time equivalent.

Traditional methods of measuring departmental productivity are not kind to instore bakery. Because of the special nature of the department — its need for large preparation areas and skilled labor which prepares the product piece by piece — direct comparisons are unfair. The most meaningful comparison would be against other bakery operations.

■ How Customers Spend

Percent Who Shop the Instore Bakery

Mean	**30.6%**
Median	**25.0%**

How Much They Spend

Mean	**$1.39**
Median	**$1.20**
Under $1.01	39%
$1.01–$2.00	46
$2.01–$3.00	10
$3.01–$4.00	5
Total	**100%**

While the average purchase in the instore bakery falls short of $1.50, it should be pointed out that many of the bakery shoppers represent "plus" business by customers who have come into the supermarket specifically because it offers a bakery department and then shop the entire store.

bulk
bulk rolls baked fresh daily
self-serve

■ Service Sales Versus Self-Service Sales

(% of Instore Bakery Product Sales)	
Service	**45%**
Self-Service	**55%**

Can you box your cake and sell it too? Perhaps, but too much reliance on self-service, while saving on labor, can undermine the essential "people" image of the department. One operator who's trying to find a balance says, "We are wrestling with the self-serve versus serve question and have found that we would like to keep some aspects of both. The personal touch of the service counter with the added sales capability of self-service."

■ Advertising and Promotion Sell Instore Bakery

% Using	
Newspapers	88%
Sampling	69
Point of Purchase	66
Circulars	56
Radio	24
Television	13

While the traditional media can't transmit the yeasty aroma of an instore bakery, a cannily directed ventilating system can. And few shoppers turn down samples offered from this department.

Dawn...America's fastest growing single-source for in-store bakery development caters to your individual needs!

Chances are, requirements for success in your in-store bakery operations are different than anyone else's.

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Maybe that's why Dawn has become America's fastest growing single-source for in-store bakery development.

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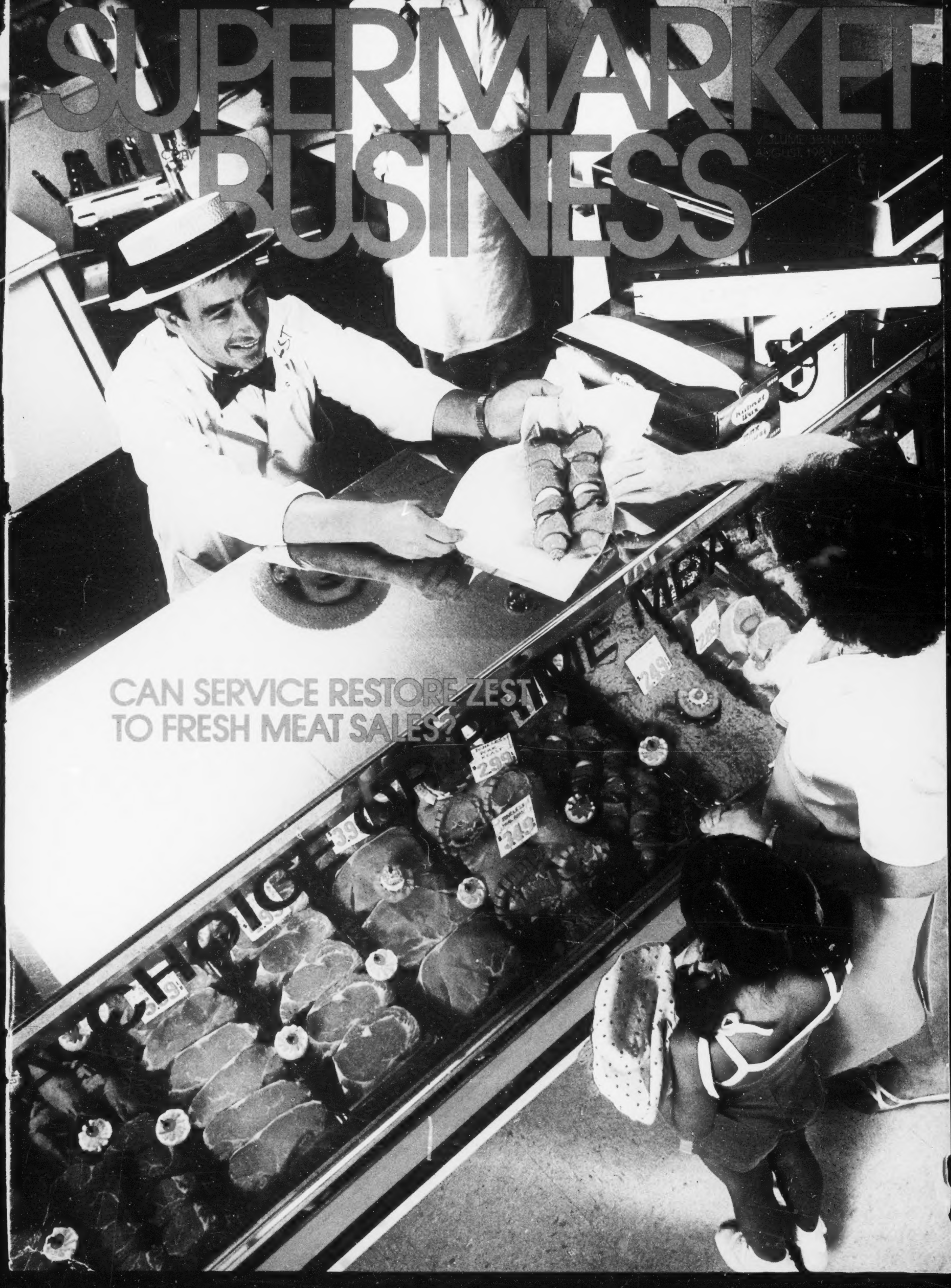
CHOICE
PRIME MEAT
3.99
2.99
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CAN SERVICE RESTORE ZEST TO FRESH MEAT SALES?

SUPERMARKET BUSINESS

VOLUME 38
NUMBER 8
AUGUST 1983

PAGE 14
CAN SERVICE RESTORE ZEST TO FRESH MEAT SALES?

The personal touch returns to the supermarket meat counter as consumers become more knowledgeable about meat and demand service. Luxury supermarkets have had service meats for years, but only now are conventionals catching up to the changing consumer. Service meats can set store apart—adding a quality image, and extra sales.

FACING PAGE 20
SPECIAL SUPPLEMENT: BAKED FOODS MERCHANDISER*

Bread may be the staff of life, but merchandising strategies are the stuff of success. Here's a look at how changes in the packaged baked goods industry are posing some tough problems for suppliers and retailers alike. Plus: a preview of some figures from the 36th Annual Consumer Expenditures Study.

*Appearing in selected editions only.

PAGE 25
NONFOODS BUSINESS
MOVIE RENTALS: SERVING UP THE SILVER SCREEN

The silver screen can provide supermarket retailers with a golden sales opportunity—if they have the patience, the know-how and the determination to make this growth area work.

PAGE 38
RED OWL OPTS FOR SERVICE

Red Owl goes after its competitive Minneapolis market with a newly remodeled Country Store that features a Pizza Shop, bakery and salad bar—plus a sit-down snack area.

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BPA ☆ABP

Can Service Restore Zest To Fresh Meat Sales?

The butcher is back. It's a return of the personal touch at supermarkets—yet another step in the growth of service departments. The service meat counter is for buying for special occasions, or for already-prepared gourmet cuts, or for a close-up taste of luxury in a money-pinched age.

BY KEN PARTCH, EDITOR

The return of personal service to the once all-self-service supermarket is nowhere more striking than in the growing trend of custom cutting fresh meat.

Of course, special cuts have almost always been available in most supermarkets by ringing the little bell and making a request to the meat cutters. But all too often, the customer would be told that what he or she wanted was already available pre-cut and pre-packaged in the meatcase.

Today, in a growing number of supermarkets, that's all changing. Now, the return of the butcher, in person, is becoming part of the ambiance of the trend to getting the personal touch back into the supermarket, along with service delis, bakeries, fish and gourmet food sections.

This trend to custom meat cutting is especially surprising since it is occurring in a segment of the store that we had always been led to believe was too labor-intensive to warrant any additional labor cost. Add that to the simultaneous trend of declining red meat sales, and it all becomes rather confusing.

But perhaps not. Perhaps if the consumer can come to regard fresh red meat as a special treat for special occasions—especially for the more expensive cuts and expensive grades—then the relatively high price will be more acceptable.

Perhaps the high-quality special cuts section will lend an overall atmosphere of quality to other service departments and the whole store.

Perhaps too, in those communities where the price of food is secondary to the quality, in terms of total value, then special treatment is a natural part of the expected enjoyment.

Service fresh meat is simply one more development in the supermarket of the Eighties—the service supermarket, a collection of high-quality service departments or service shops under one roof, with central checkouts. There is a growing and still developing concept of bringing the appeal of *food* closer to the shopper. The supermarket, it was once said, is nothing more than a warehouse for consumers—and so it was for many years. But today, nothing could be further from the mark.

One of the reasons given for adding custom or service meat departments to today's supermarkets is that consumers are more knowledgeable about meat.

That in itself says a great deal about where we are and where we are heading in the supermarket business. Once again, it is a case of the supermarket operator realizing that the consumer has changed, and that it is up to the supermarket to catch up with this changing consumer. The all-self-service supermarket of the Fifties and Sixties had created a consumer who no longer understood fresh meat, did not have the knowledge of various cuts, and did not know the difference in quality of one cut from another. Today's consumer, with the help of a variety of media, is of a different breed. For without this knowledge on the part of the consumer, service meat cutting makes little sense.

Another development that is undoubtedly responsible for the growth of service meat cutting is the availability of boxed fresh meat. If boxed meat makes it possible to offer boneless "butcher" cuts to consumers, then these cuts are obviously available to the meat department too, but cut and trimmed with a minimum of effort for special tastes, special purposes and at special prices. If the consumer has gained more knowledge about fresh meat, special cuts and special uses, special dishes, then it makes sense to offer a different level of quality in trim and cut to meet these discerning needs.

Personal service, quality perishables

While the so-called "luxury" supermarkets or super stores had discovered this consumer years before, it is a relatively recent discovery for more conventional supermarkets. Today, especially in the Northeast, it's part of a general move to personal service in chains such as Grand Union, A & P, Food Emporium (Shopwell), and in traditional high-volume, no-nonsense operations such as ShopRite and Food Mart. ShopRite and Food Mart, both retail co-ops known for very competitive pricing, are now also well into the movement of personal service and quality perishables. They recognize that these are the qualities that will keep them apart, interesting and less vulnerable to the very rapid and powerful changes taking place in the competitive

High-quality special cuts can possibly lend an overall atmosphere of quality to other service departments—and to the whole store.

ALL VARIETIES OF MEAT AVAILABLE

supermarket strategy and positioning game now being played.

For example, at Foodarama's (ShopRite) new "World Class" store in Freehold, N.J., the service meat counter is receiving very good acceptance, accounting for about 10 percent of meat sales. "It's been getting a lot of attention," says Joe Merz, meat manager. "We're surprised at how much. The service meat department is doing as well or better than any service department we've put in, including fresh fish, which is also doing well."

Food Emporium, Westport, Conn. Service meat varieties change, according to the season, say butchers. More steak & sausage in summer, more pork and roast beef in winter.

The service meat counter at Freehold consists of a 16-foot section within the 160 feet of meat cases. The service meat counter offers special meat cuts, of a higher quality, not available in the regular meat case.

"You get people of all ages and kinds asking for special cuts," says Merz, "from older people who want one slice of calf's liver to young singles who want already prepared *cordon bleu* that can be popped into the oven. People know a lot about meat today. We put together special shish kabobs, stuffed pork chops, chicken kiev—and they can get all that at the service meat counter. They can also place special orders. We don't offer exotic meats, like venison or hare, but very high-quality meats that people buy for special occasions."

At the Mayfair Food Town at East Brunswick, N.J., an upper-middle-income community, bordering on upper, service meat also does well, accounting for about seven percent of total meat sales. Service meat is promoted at the beginning of each month in the company rotogravure advertising section. Meat specials are also posted on a blackboard on a wall behind the meat counter. About 30 varieties of fresh meat are offered; all boxed, pre-fabricated and all beef is prime grade. Whole pork loins and beef ribs are received. These are cut to any thickness the customer wants. Varieties change according to the season—more steak and sausage in the summer, more pork and roast beef in winter. "We fill the case with steaks for the Fourth of July," says Ray Glodowsky, special meat counter manager. "People shop later in the day in the summer (after four), so we add an extra person late in the day, whereas we have only one person at the counter before that."

One reason given for service meat departments is that people are more knowledgeable about meat today. Once again, supermarkets are catching up to the changing consumer. Without that new meat knowledge, service cutting makes little sense. And the difference in price at the service counter, managers say, is because of the difference in meat quality, not because of the service.

Old-time butcher

"This is really like adding an old-time butcher," says Mayfair meat manager George Capone. "And it works because people are more knowledgeable about meat today. They use more recipes, so we give out recipes. They're better educated about how to use meat."

The Mayfair Food Town also offers pheasant, quail, squab, and sometimes duck and rabbit. A special sausage line is carried, as well as stuffed chicken, stuffed pork and kabobs on a stick with vegetables. The difference in price at the service counter, says management, is because of the difference in quality, not because of the service. Besides prime beef, only fancy pork and milk-fed veal are offered.

That America's eating habits, and especially those of fresh meat, are changing is more than mere speculation. It is an axiom among agricultural economists that sales of fresh meat are directly related to income. Therefore, in a recession, people eat less red meat—and so they have.

But something more has been happening to affect the sales of fresh pork and beef. These meats have suffered from various perceptions on the part of consumers who are also concerned with overweight and other diet problems. Many of these consumers perceive beef and pork as high in cholesterol and calories, and have thus shifted into eating more chicken and turkey. Beef is also singled out as being not a good buy in terms of value, and so consumers have shifted buying to cheaper cuts of beef.

These attitudes are borne out by consumer research studies conducted by both the pork and beef industries. Both industries are presently conducting consumer advertising promotion campaigns to change consumer attitudes that are actually not consistent with the facts.

To some extent, these programs are making progress. Market Research Corp. of America is a firm that tracks consumer menus on an ongoing basis to record not only what people eat but when and how frequently. Data collected over a nine-year period, July '81/June '82 versus July '72/June '73, confirm these shifts in eating habits.

According to Dr. I.J. Abrams, vice president, and responsible for MRCA's Menu Census Service, people have not only been eating less overall, but they have been eating less at home, and less fresh meat. Eating of solid food at any meals at home is down eight percent over the nine-year period tracked, while eating meals away from home increased by 29 percent. "Today," says Abrams, "15 percent of all meals are eaten away from home." (Note that Abrams is referring to meals, not just dollars.)

Red meat declines

These are some of the other changes in eating habits that have been reflected in the decline of red meat meals over the period, according to MRCA:

Red meat, down 23 percent; beef, down 27 percent; ground beef, down 24 percent; steak, down 20 percent; roast beef, down 30 percent; bacon, down 37 percent; ham, down 14 percent; other pork (excluding ham and bacon), down two percent; chicken, up five percent; turkey, up 27 percent; and fish, down 24 percent.

"People are also beginning to stretch the use of fresh meat," says Abrams, "by putting it in mixtures such as pasta. They make an ingredient out of meat, not just whole slices. It is also used more in sandwiches, such as hamburger (which is up nine percent), where you use less meat.

"Steak is down 20 percent, but sandwich steak is up 28 percent. The number of ounces of steak being eaten can be reduced in this way. Hot dogs, on the other hand, were up 12 percent. Meat is being stretched or extended. In pizza there is often little or no meat, but sales of pizza have been increasing rapidly," says Abrams. "There is an enormous increase in the eating of ethnic foods, such as Chinese, where beef and pork are mixed with vegetables. In other foods, meat is mixed with grain and rice.

"Concern about cholesterol," says Abrams, "peaked in the early Seventies. Today there is more concern about low-salt diets."

Consumer attitudes toward fresh beef have been monitored by the Beef Industry Council for the past few years. A new Yankelovich study is now in the field and should be reported out sometime this Fall. As of March, 1983, the Walker-Benchmark Study (which was conducted prior to the start of advertising last year) was set up to establish a benchmark of consumer advertising awareness—attitudes toward and perceptions of beef. Here are the key findings:

The study reinforces the advertising target of heavy to medium users—this group represents over half the population (52 percent) who reported serving beef an average of 6.6 times during the immediate past two-week period.

Awareness of grocery store beef advertising was quite high—39 percent of consumers recalled seeing or hearing beef advertising, much of it price-related newspaper advertising.

However, the study attributes ratings in some nutritional areas and price/value perceptions were low:

☐ Only two-thirds of consumers believe beef is high in nutrition.

☐ Only two-thirds believe beef is part of a well-balanced meal.

☐ Less than half (48 percent) agreed that beef is a good source of minerals.

☐ Less than half (47 percent) believed that beef offered a good value for the dollar.

While the beef industry's new slogan, "Beef gives strength," is aimed at the consumer, this fall, the Beef Industry Council will tie-in the retailer with a major promotion that will rely heavily on point-of-sale materials, which will bear the theme, "Reach for it. Reach for the goodness of beef."

By September 5, when national advertising begins, the Council's POS materials are expected to be on display in supermarkets that account for 74 percent of all retail sales.

Similarly, the National Pork Producers Council has conducted consumer benchmark studies to measure consumer perceptions of pork, and the resulting effect of advertising to change these perceptions. The council feels that it is making progress along these lines and quotes these research results:

Pork perceptions
(percent agreeing)

	1980	1982
Low cholesterol	10%	22%
Low calories (serving)	17	37
Become leaner	39	60
Excellent for diets	9	23

When it comes to production and marketing, both beef and pork have their own and special problems:

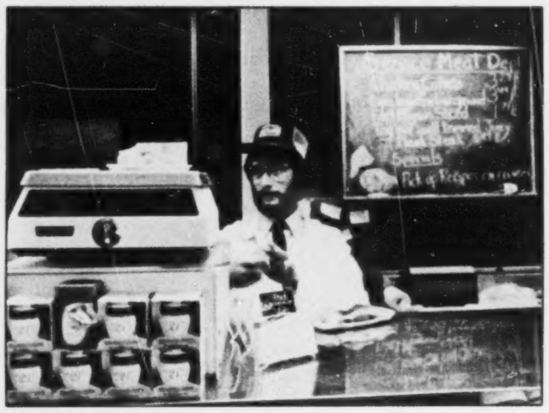
Beef prices should hold pretty well throughout the third and fourth quarters of this year, since a heavy fall slaughter is expected of cows now out to pasture. However, in the first quarter of 1984, beef prices are expected to rise, since herds have been kept small because of rising corn and feed grain prices which are a result of the Payment in Kind Program for farmers. PIK, as it is called, has caused cutbacks in corn plantings and corn production. Wheat has not been that much affected. A shortage of cattle brought to slaughter in the early part of 1984 is expected by at least one economist, Susan Lakatos, who is with the Washington Analyst Corp, an affiliate of First Manhattan Corp. in N.Y. Lakatos is one who believes that a consumer's consumption of meat increases with increased income. She expects incomes to rise as the recession continues

"We get all kinds of people asking for a special cut," says a meat manager. "From old people who want one slice of calf's liver, to young singles wanting already prepared cordon bleu. We don't offer the exotic—but high quality meats for special occasions."

Service Meat D
Chicken Cutlets
NO SMOKING

The service meat department at the Foodtown in New Brunswick, N.J. People are often stretching the use of meat at some meals, but at others—and for special occasions—they'll return to the higher grade cuts and the personal touch that service meat counters provide.

Consumers are very aware of beef at supermarkets, according to one study. But they don't believe that beef—or red meat—is nutritional on the whole. Various meat associations are working to promote the wholesome, nutritive and value-for-money qualities of meats.



Capitalizing on the upscale image service meats provide, this Foodtown in New Brunswick, N.J., cross-merchandises: it also sells special steak sauce from the "21" Club in New York.

to recede. Sales of fresh beef in the coming months of 1983 should be good, but prices are expected to rise early next year.

Even as per capita consumption of pork dropped a weighty six pounds last year, hog producers rejoiced as prices registered a $67.50 per hundred record in August 1982. There's no echo of that cheering this summer as prices flounder in the $45 to $47 range, short of the $48 breakeven identified by Larry Rus, director of producer affairs for the National Pork Producers Council (NPPC).

And the future for pork producers looks even more dour as sluggish demand contends with rising supplies, putting what the USDA forecasts will be "further downward pressure on hog prices."

"Our immediate concern is to try to move more pork through the marketplace," says Rus, "so that we will at least be able to handle the glut that is coming." NPPC has developed special programs which will send hog producers to call on retail stores and corporate headquarters to discuss the supply situation and to encourage a higher level of pork merchandising and promotion.

Per capita consumption

(retail cut equivalent)

	1981	1982
Beef	77.20	77.23
Veal	1.60	1.65
Pork	64.97	59.01
Lamb and mutton	1.41	1.47
(ready to cook weight)		
Chicken	51.7	53.1
Turkey	10.8	10.8

Source: Livestock and Poultry OUTLOOK AND SITUATION (May 1983)

Total red meat and poultry supplies are expected to remain at or above the levels of a year ago, although feed costs have risen sharply since last fall's harvest lows. As a result, the breakeven prices have increased for livestock and poultry to be marketed this summer and fall. Red meat production is expected to rise about one percent above last year, while poultry output may advance three percent.

In the first year-to-year increase since 1980, per capita consumption of red meat and poultry is expected to advance modestly in 1983, following a decline of over four pounds in 1982, which dropped the total to 202.7 pounds. ■

Down to the Sea with Meats

Publix supermarkets have taken service meats one step further—to boating enthusiasts—by preparing special "Yacht Paks" that they can take on board. The service not only enhances the chain's prestige image, but it's very successful.

What do you get for the boatsman who has almost everything? A "Yacht Pak" from Publix, of course.

Publix has taken its service meats to the sea.

The Yacht Pak is a package of meats suitable for boating: all wrapped up and frozen rock hard, and designed to fit in the limited space of galley freezers on sailing yachts. It's a very successful free service for Publix (Lakeland, Fla.).

Meat orders can be of any size—orders as little as $15 and as much as $3,000 are two cited by Publix officials—and they are cut to clients' specifications. Cuts are expensive ones—boneless chicken, filets of beef, veal, lamb and pork. Once the meat is cut, it's wrapped, clearly marked and frozen. Sometimes, if the customer wants, the order is boxed.

The service had been offered in Publix' Southeast Coast Division for years. It was unpublicized, though popular among boating enthusiasts. The "Yacht Pak" idea is the brainchild of John Bernard, Southeast Coast advertising manager for Publix. He wanted to bring to light what he thought would be a highly profitable service—if it were better known. Now, customers who want the service ask for "Yacht Paks."

The idea is an opportunity for just about any supermarket near the water. Advertising helps. Advertising for Publix—featuring a dashing couple before a sumptuous spread on a well-appointed yacht—began in April 1980. Spots, aimed at the boating "carriage" trade, appeared in such publications as *Palm Beach Life*, *Miami Magazine* and *Southern Boating*. After that, the service really took off.

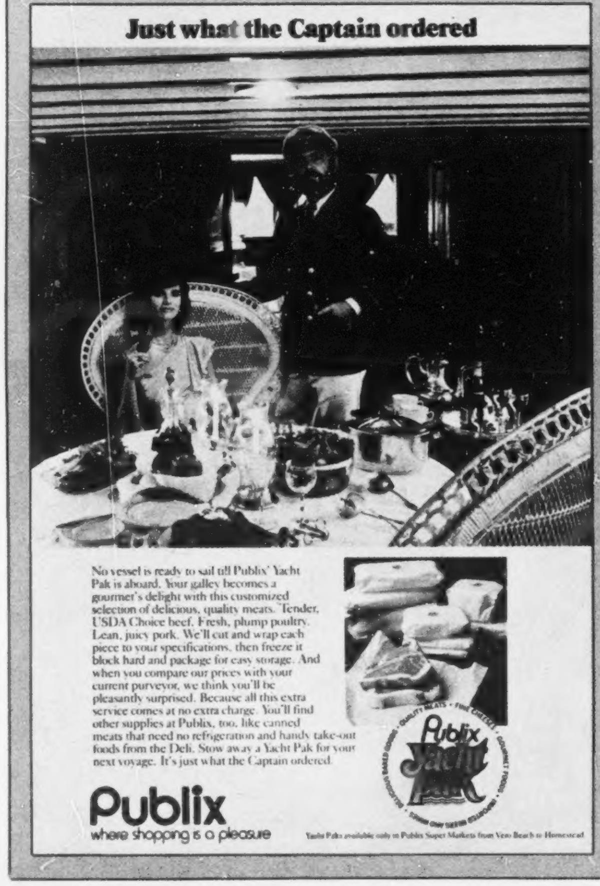
Now, 88 out of 96 Southeast Coast Publix supermarkets that offer Yacht Paks show an increase in business. And stores near Pier 66 in Miami can do between $10,000 and $15,000 a week in sales.

The service is so popular, even people without boats ask for it. And now, advertising is also aimed at the hoi-polloi. "The campaign started out with a guy in formal dress," says Bernard. "Now we're going after the smaller boaters, the bill fisherman, not just the upper-crust with yachts."

The campaign—and service—is also targeted at the Spanish-speaking market. Ads have appeared in *Miami Mensual*, *Donde en Miami* and in Spanish language publications in South America, notably oil-rich Venezuela.

"We even tried advertising the service in airline magazines," Bernard says, "just to see what would happen. We got calls from as far away as the Northeast—from people who move their boats south in summer—and Venezuela, asking for further information."

Officials say the ads, and the service, have enhanced the prestige image of Publix, and created new business up and down the coast. ■



Just what the Captain ordered

No vessel is ready to sail till Publix' Yacht Pak is aboard. Your galley becomes a gourmet's delight with this customized selection of delicious, quality meats. Tender, USDA Choice beef. Fresh, plump poultry. Lean, juicy pork. We'll cut and wrap each piece to your specifications, then freeze it block hard and package for easy storage. And when you compare our prices with your current purveyor, we think you'll be pleasantly surprised. Because all this extra service comes at no extra charge. You'll find other supplies at Publix, too, like canned meats that need no refrigeration and handy take-out foods from the Deli. Stow away a Yacht Pak for your next voyage. It's just what the Captain ordered.

Publix
where shopping is a pleasure

Yacht Paks available only at Publix Super Markets from Vero Beach to Homestead

This ad for the Yacht Pak first appeared in upscale living magazines and in some Spanish language publications. Ads now also are geared to a broader base—not just the luxury yacht captains.

BAKED FOODS MERCHANDISING TODAY

Bread may be the staff of life... but merchandising savvy is the stuff of success

BY CAROL FENSHOLT, EXECUTIVE EDITOR

For all the variety offered by today's supermarket, bread is still the staff of life.

White bread, even after some 30 years of steady decline, is a $5.4 billion business in U.S. grocery stores alone, according to SUPERMARKET BUSINESS' most recent Consumer Expenditures Study (to be published in full in September).

White bread exceeds the sales of two other diet staples, pasta and potatoes, by 2.5 times and seven times, respectively. Annual consumption is estimated to be seven billion pounds – or some 32 pounds per person – according to a recent Quality Bakers of America (Greenwich, Conn.) study.

Yet it cannot be denied that changes in food retailing and consumer preferences are presenting the packaged baked goods industry in particular with some tough new problems. How these problems are confronted and resolved will determine the profitability not only of the baked goods supplier, but of the retailer, as well.

What are these changes? They are several . . . and they seem to come from opposite directions, catching the packaged goods business in the cross-traffic.

For example, there is the much-publicized new interest in nutrition, concern about food additives, and growing suspicion of foods providing "empty" calories, unnecessary sugar or excessive sodium.

There is the "fitness" craze epitomized by *Time* magazine's recent feature highlighting "the Form Divine" of the new American woman: lean, strong . . . and adamantly opposed to "fattening" carbohydrates and starch.

On the other hand, there is the unmistakable upsurge of indulgence in pricey – albeit high-calorie – specialty baked goods made with plenty of sugar and butter. This trend can be spotted in the unlikeliest of places . . . such as regions hardest hit by recession.

For example, The Fred Sanders Co., a specialist in high-end layer and pound cakes whose market area is primarily Detroit, reports "a very strong upturn" in sales, according to Larry Ramaekers, vice president-sales.

On the retail side, there has been the continuing growth of private label . . . coupled with the continuing growth of the instore bakery.

Private label now accounts for 50 to 60 percent of total white bread sales, up from just five percent in 1955, according to Quality Bakers of America (QBA) numbers. These brands, with their strong price appeal, have captured the low end market.

Continued on page 10A

PREVIEW OF BAKED GOODS:

[add 000 to all dollar figures]	**1982**			
PRODUCTS	**Value of Total Domestic Consumption**	**Amount Spent in Grocery Stores**	**% of Food Sales**	**% of Total Store**
BAKED GOODS	**$23,857,590**	**$14,224,730**	**8.04**	**6.17**
BREAD & ROLLS	**11,558,500**	**6,975,760**	**3.94**	**3.02**
White Bread	7,414,540	5,412,290	3.06	2.35
Other Bread	2,619,220	1,133,570	.64	.49
Rolls, Bread Type	1,524,740	429,900	.24	.19
CRACKERS, COOKIES, OTHER TIDBITS	**$ 7,968,490**	**$ 6,119,350**	**3.46**	**2.65**
Corn Chips	833,871	611,075	.35	.26
Crackers, Biscuits, Cookies	3,991,060	3,614,456	2.04	1.57
Packaged Unpopped Popcorn	188,058	164,973	.09	.07
Potato Chips	2,622,072	1,431,646	.81	.62
Pretzels	333,429	297,200	.17	.13
Sweet Goods	4,330,600	1,129,620	.64	.49
Cakes & Other Pastry	2,686,870	641,290	.36	.28
"Toaster" Pastries	72,774	67,680	.04	.03
Other Cakes & Pastry	2,609,100	573,610	.32	.25
Doughnuts	1,030,550	354,140	.20	.15
Pies	618,175	134,187	.08	.06
FROZEN BAKED GOODS	**$ 770,570**	**$ 695,155**	**.39**	**.30**
Cakes, Pastries	467,799	429,606	.24	.19
Pies	302,771	265,549	.15	.12

1983 CONSUMER EXPENDITURES STUDY

% Groc. to Total	(add 000 to all dollar figures) PRODUCTS	1981 Value of Total Domestic Consumption	1981 Amount Spent in Grocery Stores	1981 % of Food Sales	1981 % of Total Store	1981 % Groc. to Total	Percentage Change 1981 to 1982 Total	Percentage Change 1981 to 1982 Grocery
60	**BAKED GOODS**	$23,192,180	$13,765,490	8.09	6.23	59	3.8	4.1
60	**BREAD & ROLLS**	11,190,960	6,748,750	3.96	3.05	60	4.7	4.6
73	White Bread	7,191,600	5,244,470	3.08	2.37	73	3.1	3.2
43	Other Bread	2,523,330	1,088,920	.64	.49	43	3.8	4.1
28	Rolls, Bread Type	1,476,030	415,360	.24	.19	28	3.3	3.5
77	**CRACKERS, COOKIES, OTHER TIDBITS**	$ 7,738,570	$ 5,905,770	3.47	2.67	76	3.0	3.6
73	Corn Chips	791,900	575,400	.34	.26	73	5.3	6.2
91	Crackers, Biscuits, Cookies	3,848,660	3,472,100	2.04	1.57	90	3.7	4.1
88	Packaged Unpopped Popcorn	182,050	159,240	.09	.07	87	3.3	3.6
55	Potato Chips	2,590,980	1,411,880	.83	.64	54	1.2	1.4
89	Pretzels	324,980	287,150	.17	.13	88	2.6	3.5
26	Sweet Goods	4,262,650	1,110,970	.65	.50	26	2.8	2.9
24	Cakes & Other Pastry	2,632,790	628,470	.37	.28	24	3.6	3.8
93	"Toaster" Pastries	72,340	67,210	.04	.03	93	.6	.7
22	Other Cakes & Pastry	2,560,450	561,260	.33	.25	22	1.9	2.2
34	Doughnuts	1,024,400	351,330	.21	.16	34	.6	.8
22	Pies	605,460	131,170	.08	.06	22	2.1	2.3
90	**FROZEN BAKED GOODS**	$ 761,410	$ 684,670	.40	.31	90	1.2	1.3
92	Cakes, Pastries	461,340	422,010	.25	.19	91	1.4	1.8
88	Pies	300,070	262,660	.15	.12	88	.9	1.1

Source: SUPERMARKET BUSINESS/1983 Consumer Expenditures Study

The past year was a strange one for the food business, and especially for the baked goods business.

Total grocery store dollar sales, reflecting the inflation rate slowdown, were up just 4.4 percent over the previous year, from $222 to $230.6 billion. Baked foods rose 4.1 percent, from $13.7 billion to $14.2 billion.

The 1982 Consumer Price Index was 3.3 percent for overall food at home. The bottom line is that there was a real increase of just 1.1 percent in overall grocery store sales.

On the positive side, the 1982 CPI increase represents the lowest food-at-home inflation rate in several years: In 1981, for example, the rate was 7.3 percent; in 1980, it was 8.0 percent.

See CES Preview, page 14A

THE 20 BIGGEST GAINERS RANKED BY DOLLAR VOLUME GAINS

RANK	ITEM	DEPARTMENT	'82-'81 SALE INCREASE (000)	% INCREASE	% OF STORE VOLUME
1	Fresh vegetables	Produce	$810,840	5.9%	6.28%
2	Cigarettes	Grocery	798,850	11.0	3.49
3	Beef	Meat	653,730	3.1	9.43
4	Fresh fruit	Produce	560,490	6.1	4.25
5	Beer	Beverages	460,280	4.6	4.54
6	Cold cereals	Cereals	287,757	11.3	1.23
7	Toilet paper	Household	193,850	10.7	.87
8	Natural cheese	Dairy	191,540	9.4	.97
9	Bottled soft drinks	Beverages	190,110	3.0	1.90
10	Disposable diapers & liners	Household	179,610	12.8	.69
11	White bread	Bakery	167,820	3.2	2.35
12	Housewares, other	Gen. Merch.	162,310	3.8	1.28
13	Canned vegetables	Canned Foods	154,970	6.1	1.17
14	Cold cuts and other provisions	Meat	153,250	3.4	2.02
15	Fresh poultry	Meat	150,620	2.7	2.48
16	Packaged bacon	Meat	143,130	6.6	1.06
17	Crackers & biscuits	Bakery	142,360	4.1	1.57
18	Prescriptions	Prescriptions	141,685	12.7	.55
19	Frozen vegetables	Frozen Foods	138,892	11.3	.60
20	Candy & chewing gum	Candy & Chewing Gum	135,801	5.5	1.14

Source: SUPERMARKET BUSINESS/1983 Consumer Expenditures Study

Two do not live as cheaply as one, despite popular wisdom to the contrary. But there are economies of scale. The chart shows that, as household size increases, so does the amount spent on baked foods. However, the rise is not directly proportional—per capita spending declines as the number of household members grows.

Baked Foods Spending
BY SIZE
of consumer unit*
(weekly)

Unit size	Unit total	Per capita
1 person	$1.24	$1.24
2 persons	2.71	1.36
3 persons	3.44	1.15
4 persons	4.43	1.11
5 persons	5.06	1.01
6 persons	5.72	.95

SOURCE: Department of Labor

Your best customers are households headed by persons in the 35-to-44 age group. Households headed by the 25-and-unders spend least on both baked foods and the total budget ... probably because many are single-person households.

Baked Foods Spending
BY AGE
of household head
(weekly)

Age	Amount spent on baked foods	Spending for total food at home
Under 25	$1.46	$16.70
25 to 34	2.72	33.24
35 to 44	4.10	47.28
45 to 54	3.79	42.87
55 to 65	3.16	36.41
65 and over	2.39	26.32

SOURCE: Department of Labor

'Consumer unit' defined

What is a "consumer unit?" The Bureau of Labor, for study purposes, defines it three ways:

1. All members of a particular household who are related by blood, marriage, adoption or other legal arrangement such as foster care.
2. A person living alone, or as a roomer in a private home or lodging house, who is financially independent.
3. Two or more persons living together and pooling their income to make joint expenditures.

Meanwhile, new supermarkets continue to open . . . three-quarters of which include an in-store bakery, the QBA estimates. These appeal in particular to the high end of the market.

Lately, yet another trend has developed with profound implications for suppliers and retailers alike. This trend is the emergence of the new super store or super warehouse store with high-volume, automated baked goods production facilities.

Operators who have recently installed such facilities include Cub Foods, the warehouse store division of Super Valu, Inc. (Minneapolis); Stop & Shop (Boston); Waldbaum's Food Mart division (Holyoke, Mass.); Purity Supreme (North Billerica, Mass.); and the Edwards Food Warehouse division of First National Supermarkets (Windsor Locks, Conn.).

The result of these developments is clear: The supermarket company—and in some cases, the individual store—is now the producer of items formerly supplied by the packaged goods manufacturer.

For example, Cub Foods' new Brooklyn Park store (featured in SUPERMARKET BUSINESS March, 1983 cover story, *Super Valu's New Baby: For the Market, It's a Bear*) daily produces 1,000 pounds of white bread, 50 pounds of Vienna bread, 400 pounds of whole wheat bread, 200 pounds of hard rolls, 400 pounds of hamburger buns, and 100 pounds each of kaiser rolls, turkey buns, tea biscuits and yeast-raised doughnuts.

The problem for the baked goods supplier and for the supermarket retailer competing with Cub and its kind around the country is that, with this kind of facility, the store can pre-empt *both* ends of the market, high and low, *with the same product:* The consumer appeal is *double*—scratch-baked freshness . . . discount-priced. For Cub Foods merchandises its fresh-baked white bread in "family packs" of five one-pound loaves for a devastating 99 cents.

This kind of act is hard to follow, for the supplier as well as the competing retailer. As QBA president Ben Jakacki points out, bakery production is an "easy entry business. It's not particularly labor intensive, not particularly capital intensive.

"The only real barrier to entry is the supermarket shelf."

Unless you own the shelf.

Yet the bakery supplier must find ways to compete. If he can, it's

Continued on page 14A

THE 10 LEADERS IN STORE VOLUME

RANK	ITEM	1982 GROCERY STORE SALES (ADD 000)	% CHANGE IN SALES '82 VS '80	% OF STORE VOLUME
1	Beef	$21,741,790	3.1%	9.43%
2	Provisions	15,057,140	9.8	6.53
3	Fresh vegetables	14,475,900	5.9	6.28
4	Beer	10,466,310	4.6	4.54
5	Fresh fruit	9,806,080	6.1	4.25
6	Cigarettes	8,059,770	11.0	3.49
7	Paper products	6,218,640	9.1	2.70
8	Milk	5,963,970	−1.1	2.59
9	Poultry	5,729,240	2.7	2.48
10	White Bread	5,412,290	3.2	2.35

Source: SUPERMARKET BUSINESS/1983 Consumer Expenditures Study

Income, too, determines the weekly expenditure for baked goods. Households with an income of less than $5,000 average a bare $1.71 a week on baked foods. At the $30,000-and-over end of the scale, spending rises to $4.49.

Baked Foods Spending
BY ANNUAL INCOME
(weekly)

Income	Baked foods	Total food at home
Under $5,000	$1.71	$19.60
$5,000 to $9,999	2.28	26.20
$10,000 to $14,999	2.47	26.26
$15,000 to $19,999	3.25	37.39
$20,000 to $29,000	3.84	44.42
Over $30,000	4.49	50.83

SOURCE: Department of Labor

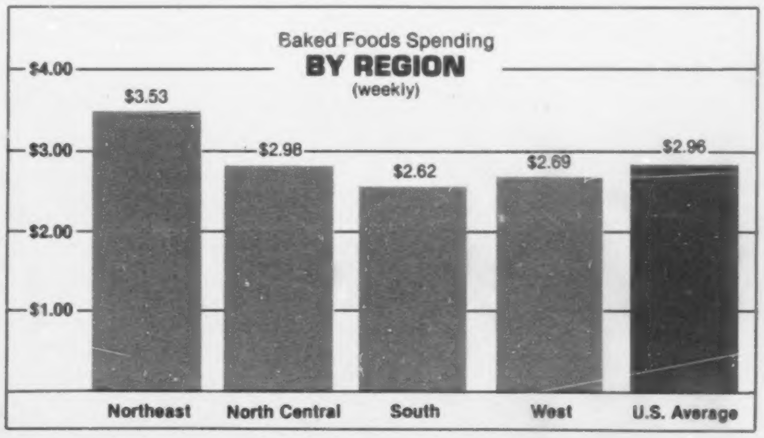
Households with more than one wage earner have more discretionary income to spend on the staples of life, as well as on fringes and frills.

Baked Foods Spending
BY NUMBER OF INCOME EARNERS PER HOUSEHOLD
(weekly)

Earners	Amount spent on baked foods	Amount spent on food at home
None	$2.94	$34.29
One	3.41	40.77
Two	3.45	40.04
Three or more	5.52	59.65

SOURCE: Department of Labor

High volume warehouse or super store bakeries can pre-empt both ends of the market, high and low, with the same product. The consumer appeal is double—scratch-baked freshness...discount priced.



The appetite for baked goods seems to be greatest in the Northeast, where average weekly household expenditures for baked goods are pegged at $3.53. But the West is growing fastest, the data suggests: Figures for the current survey show this region 47 percent over its average for the period 1972-74, when the last such survey was conducted.

CES PREVIEW

Continued from page 10A

Baked Foods Sales Rise 4.1% in 1982

For baked goods, the 1982 CPI was somewhat higher: 4.6 percent. But this, too, represents a slowdown from the past two years: The baked goods CPI was 9.7 percent in 1981 and 11.3 percent in 1980.

On the negative side, the 1982 baked foods dollar increase of 4.1 percent translates to an overall drop in tonnage for the category as a whole.

Within the category, however, good performances were returned. Corn chips showed the largest percentage increase, up 6.2 percent in sales for 1982 over 1981. Other items whose sales increase at least paced the baked foods CPI were, predictably, variety breads; bread-type rolls; and the cookie/cracker category.

Biggest loser award goes to toaster pastries. This category rose just .7 percent in sales in 1982.

Consumer baked goods spending trends by geographic region, age, household size and income are revealed in a newly released study by the Department of Labor.

This survey, updating an earlier survey of the period 1972-74, finds that weekly spending for baked foods averaged $2.96 per "consumer unit" (see box for definition) for the period 1981-82.

That is almost double—a 42-percent gain, to be exact—the amount spent on average for baked goods pinpointed in the earlier study . . . though to inflation goes the credit for a good share of this dollar increase.

During the most recent study period, consumer spending for all food at home averaged $37.09, the survey says.

Alternative life styles and more and more working women (in 1981, 62 percent of all women 18 to 64 worked) are making for big changes in household character and spending patterns.

In this study, the Department of Labor for the first time tried to track the impact of these trends by analyzing consumer spending **by number of income earners in the "consumer unit"** (household).

Not surprisingly, the survey found that average weekly spending rises with the number of earners in the household.

Hollywood
Hollywood
Hollywood
GIANT
GIANT

Average weekly spending for baked goods in households with no income earner is placed at $2.94. But for households with three or more income earners, weekly spending for baked foods averages $5.52. Two-income households average $3.41 a week for baked goods, the survey found (see table).

Interesting as this breakout may be, the real impact of the number of wage-earners *per se* is to us somewhat obscure: Quite simply, the more people in a household, the more food is needed—income earners or not, we all have to eat. ■

Merchandising Today

Continued from page 9A

likely that this will ensure not only his own future, but that of the growth and profitability of supermarket baked goods departments *in general*. For it's an economic and marketing truth that much of demand is created . . . and it's fair to say that much of the demand for supermarket baked goods—however produced or supplied—is created by continuous manufacturer advertising of specific brands.

Trends that offer merchandising potential to both the retailer and the supplier of packaged goods are:

- the upsurge in childbearing by the Baby Boom generation;
- the importance of convenience;
- the rise in dual-income households;
- wider knowledge about nutrition.

What these trends mean, collectively, to the baked goods business are an increase in the traditional "best customer," the family with children.

They mean the potential to build brand loyalty: Working parents are pressed for time but not necessarily for money, and are concerned about their children's nutritional needs. They will repeat-purchase products offering the qualities that satisfy their requirements.

Moreover, they'll purchase products that get them in and out of the store *fast* . . . not those that require them to take a ticket and stand in line.

Capitalizing on these trends requires that both supplier and retailer "work on demand," observes Ben Jakacki: "Establish the validity of the price premium paid for quality. Play up the name, reputation and quality differential" of the recognized product.

But to be successful, advertising designed to accomplish this must address a wider market than the historic "happy middle of media targeting, the housewife age 18 to 49," Jakacki adds.

His organization, the Quality Bakers of America, has a television ad campaign for its Sunbeam bread that stresses the universal appeal of freshness, convenience and quality. The QBA also offers an entire marketing program to retailers, from which can be selected pieces appropriate to the individual competitive situation.

Other suppliers such as ITT Continental offer similar merchandising programs and assistance.

Elsewhere in this section, ways of addressing two other baked goods issues of importance are detailed.

One is the persistent image of baked goods as fattening. Taking a page from the marketing handbook used successfully by the Potato Board and the California Avocado Commission, the recently formed Wheat Council has launched a series of nutritional media talk shows countering the caloric misconceptions consumers hold about baked goods (see page 15A).

The other issue is training (page 17A): With the growth in drop shipment of packaged baked goods, the importance of in-store training to ensure proper rotation and freshness is more important than ever.

Other developments in baked foods retailing, such as the continuing growth in variety breads, are reflected by the sales change figures in the accompanying Consumer Expenditures Study preview charts.

Comparing baked foods dollar growth with the Consumer Price Index (see separate story and charts) reveals that baked foods merchandising is, at present at least, a game of inches.

How successfully the game is being played on a geographic basis, by income level, per capita and according to other statistical measurements is indicated in the second series of charts.

Taken together, the marketing observations, industry trends and statistical benchmarks presented in this issue collectively underscore one vital truth: Bread may be the staff of life . . . but flexible, informed and intelligent baked foods merchandising strategies are the stuff of success. ■

Quality is our Specialty

Specialty Ladyfingers; Inc., has an envious position. We are the best at what we do. The best in product quality, variety and service to our customers. Most major food chains we service agree. And Specialty thanks them for this confidence with a pledge to do better.

But this company's batter wasn't mixed and baked overnight. Since 1901, Specialty has been improving our recipes for french twirls, dessert shells, cake rolls, angel food cakes and our famous ladyfinger sponge cakes. Someone must like our ladyfingers, because we hold an approximate 99% share of the ladyfinger market in the U.S.

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Specialty Ladyfingers, Inc., remains a relatively small, family owned bakery. Our customers don't seem to mind because they like the personal touch. We've tried to preserve the ingredient of quality in our recipes and the concern for service in our account management. This way, it's easier for you to offer Specialty products to your customers with confidence.

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NonFoods
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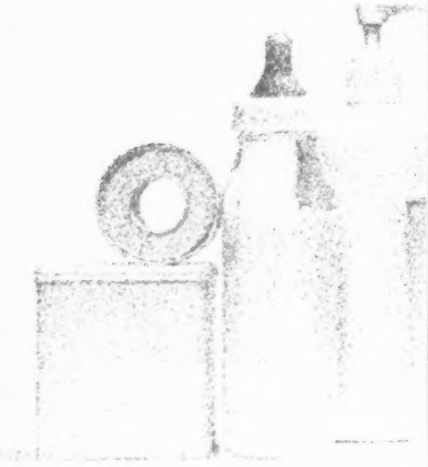

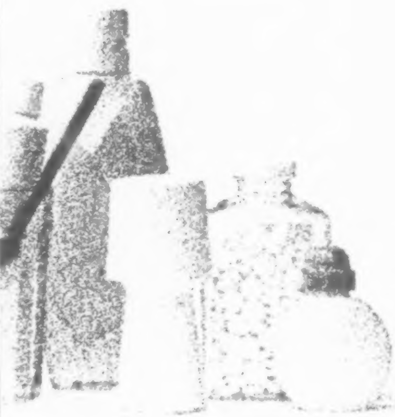

HEALTH & BEAUTY AIDS:
SAMI Four-Week Food Store Unit Trends vs. Year Ago

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 4/1/83	4 WEEKS ENDING 4/29/83	4 WEEKS ENDING 5/27/83
BABY NEEDS	**+ 2.9%**	**+ 3.9%**	**− 4.3%**
Baby Powders	+ 1.3	+ 6.1	−10.4
Baby Oils, Creams & Lotions	+ 6.5	+ 3.3	− 6.7
Infant Clothes	− 5.2	+ 2.6	− 5.3
Nursing Supplies	+ 2.6	+ 3.8	+ 4.1
DEODORANTS	**− 1.6%**	**+ 2.8%**	**+ 1.9%**
Sprays	+ 3.8	+ 4.0	− 0.7
Roll-On	−10.0	− 5.6	− 0.4
Stick Deodorants & Pads	+ 2.6	+10.0	+ 2.8
Creams	− 1.4	− 1.5	− 0.7
Deodorants & Talcum Powders	− 1.5	+ 2.6	+10.0
Feminine Hygiene Deodorants	−13.7	− 5.7	± 0.0
Foot Deodorants & Athlete's Foot Remedies	− 3.4	+ 0.7	− 1.5
FIRST AID	**+ 8.9%**	**+ 7.9%**	**+ 9.7%**
Antiseptics	+ 6.3	+11.6	+ 7.5
First Aid Products	+ 9.5	+ 6.9	+10.3
HAIR CARE NEEDS	**− 1.0%**	**− 1.6%**	**− 0.9%**
Shampoos	+ 4.1	+ 0.1	+ 2.7
Hair Sprays	− 0.6	+ 2.6	+ 1.0
Hair Conditioning Rinses	−12.7	− 9.5	−11.0
Hair Setting Needs	+ 9.3	+ 5.5	+ 3.3
Home Permanent Kits	− 5.8	−11.5	− 3.1
Hair Coloring	− 2.2	− 2.3	− 3.1
Hair Dressing Needs	− 1.8	+ 0.9	+ 1.0
ORAL HYGIENE	**− 1.5%**	**+ 2.4%**	**+ 4.9%**
Toothpastes & Powders	− 4.4	+ 0.9	+ 2.7
Mouthwashes	+ 4.8	+ 4.6	+ 7.3
Breath Fresheners	+14.0	+ 0.6	+ 9.3
Denture Cleaners	+ 8.0	+ 7.9	+ 6.8
Denture Adhesives	− 3.6	− 1.9	− 0.1
Toothbrushes	+ 2.4	+ 6.7	+15.4
PROPRIETARY REMEDIES	**+ 6.4%**	**+ 8.0%**	**+ 7.7%**
Antacids	+ 4.4	+ 6.8	+ 3.5
Internal Analgesics	+ 7.9	+ 9.3	+ 9.2
External Analgesics	+ 0.1	+11.4	+ 7.7
Cold Tablets	+11.1	+10.9	+10.6
Nasal Sprays—Drops—Inhalers	− 4.5	− 1.6	+ 0.2
Chest Rubs	+ 4.8	+ 4.7	+ 3.7
Cough Remedies	+ 8.5	+ 8.3	+10.5
Laxatives	+ 4.6	+10.1	+ 8.4
Sleeping Aids	− 0.0	+ 7.4	+ 7.0
Tranquilizers	−21.2	−23.5	−26.7
Vitamins	+ 1.3	+ 1.0	+ 4.8
Eye Care Products	+12.7	+ 8.0	+12.0
SHAVING NEEDS	**+ 7.3%**	**+ 5.6%**	**+ 1.5%**
Shaving Creams	+ 8.1	+ 7.0	+11.7
Pre-Shave Lotions	− 1.5	− 5.9	− 4.2
After-Shave Lotions	+ 0.2	+ 2.9	− 3.1
Razor Blades	+ 8.6	+ 5.9	− 1.0
Razors & Blades	−22.2	− 8.4	−15.8
SKIN CARE AIDS	**− 1.0%**	**− 4.8%**	**− 4.3%**
Hand & Body Creams & Lotions	−11.0	− 8.9	−10.3
Facial Preparations	+ 5.8	+ 9.0	+10.4
Lip Care Products	+ 8.2	+13.9	+ 9.5
Suntan Lotions & Oils	+ 5.2	−26.2	−20.1
Cosmetic & Medicated Skin Aids	+ 3.1	+ 0.2	− 0.4
TOTAL ALL CATEGORIES	**+ 2.4%**	**+ 3.5%**	**+ 3.4%**

7.5 percent. In the preceding period, the antiseptic volume increased at a higher rate.

Sales volume of hair care needs continues to erode, but the loss rate has been narrowed to just .9 percent. The weak category here continues to be hair conditioning rinses. During the May period, there was a loss of one million units, or 11 percent, in food stores.

There were also losses in sales for home permanent kits and hair coloring, 3.1 percent declines in both instances. The highest rate of gain among hair care products was 3.3 percent, for hair setting needs. Here, new line extensions have helped. Another high gainer was shampoo, with a 2.7 percent increase. Hair sprays and hair dressing needs each rose an even one percent.

In the oral hygiene product group, total volume increased 4.9 percent. The only category with a loss, however small, was denture adhesives, down just one percent. Toothbrushes, as noted earlier, did very well, as did breath fresheners, with a 9.3 percent increase (albeit on a small volume); mouthwash, with an increase of 7.3 percent and denture cleaners, with an increase of 6.8 percent. Unit sales of toothpaste and powder, which account for 63 percent of annual volume in the oral hygiene product group, rose 2.7 percent.

Colds score

The 7.7 percent increase for proprietary remedies compares favorably to the eight percent increase for the preceding period. Of the 12 categories in this product group (not counting appetite suppressants, which SAMI has just started to measure), the only loss was for the tiny proprietary tranquilizers category.

May saw a lot of colds, probably due to the weather, and each of the four cold remedy categories had an increased sales rate, topped by 10.6 percent for cold tablets and 10.5 percent for cough remedies. Internal analgesics (also related to the incidence of colds) were up 9.2 percent. Laxatives were ahead 8.4 percent.

In the shaving needs category, SAMI tracks food stores sales of all brands and items in five categories. Four of these had unit volume losses during the May reporting period. The 11.7 percent gain for shaving creams, though, was sufficient enough to cause a 1.5 percent gain for the entire product group. The biggest losses were found in the two categories with the lowest unit volume—razors and blades (down 15.8 percent) and pre-shave lotions (down 4.2 percent). Razor blade volume was down one percent.

Skin diving

In the skin care aids area, SAMI measures five categories. Overall there was a loss of 4.3 percent, despite an increase of 10.4 percent for facial preparations and 9.5 percent for lip care products.

As noted earlier, suntan lotions and oils were off 20.1 percent and the loss of 10.3 percent for hand and body creams and lotions was against a strong performance a year ago, when new product proliferation was expanding the size of this category.

There was a minor loss of 0.4 percent for cosmetic and medicated skin aids.

So far this year, total food store sales of health and beauty aids have been running two to four percent ahead of corresponding periods in 1982. As modest as these increases may seem, they are still running slightly ahead of dry grocery: food product tonnage growth has been consistently hovering at about the one percent rate. □

MEAT

Processed Meats Get No Respect

Caveat emptor—let the buyer beware—has long been the battle cry of many consumers thinking of buying processed meats.

They claim that the products contain too much fat, that they aren't nutritious, have too many chemicals, are junk food, and that no one really knows *exactly* what they're made of.

And people have been saying these things for years.

Consider Upton Sinclair's muckraking 1906 novel, *The Jungle*, for example: "There was never the least attention paid to what was cut up for sausage; there would come all the way back from Europe all sausage that had been rejected, and that was moldy and white—it would be (doused) with borax and glycerine, and dumped into the hoppers and made over again for home consumption."

And more recently, consumer advocate Ralph Nader labeled hot dogs "America's deadliest missile."

And so it goes. Down through history, processed meats have been vilified, castigated and criticized from a variety of sources for any number of reasons. Processed meats get no respect. Perhaps Rodney Dangerfield would be the perfect spokesperson for these much-maligned products.

Production drops

The production of certain processed meats has dropped considerably since 1977 (See Table 1). Decreases in the production of frankfurters and bologna are largely offset by increases in dried and semi-dried sausages and other sausages (loaves, liver sausages, etc.).

Production has shifted, but sales dollars have not kept up the pace in terms of percentage of total store sales. All meat categories except "Provisions" (or processed meats) increased their percentage of total store sales between 1977 and 1981 (See Table 2). The recent decline in total store sales for provisions begins in 1973, when it registered a healthy 8.19 percent.

Nonetheless, all is not lost. The most recent figure for provisions' total store sales is 6.57 percent. And any single category that continues to contribute that kind of business is worth fighting for, especially when you consider that processed meats are one of the most profitable (some say the *only* profitable) categories within the meat department.

As consumers become more enamoured of service and specialty departments at the supermarkets, and as the American lifestyle continues toward easy-to-prepare, quick dishes, processed meats should not suffer. Sausage shops, delis, appetizing departments—call them what you want—not only deliver atmosphere, but fill this growing demand for convenience. Many processed meats are fully cooked, for example, and are therefore ideal for the microwave.

Shifting tastes

There are likely to be more shifts in processed meat production as people's tastes change—from franks and bologna to more dried and semi-dried sausages. But a certain loss in sales may lead to a decrease in store support and space. It's especially tragic to consider that lost sales and store commitment could be the result of innuendo and misinformation.

Give processed meat an opportunity for respect—market some facts.

The terms "processed" and "additives" garner little respect in the eyes of the consumers. But if these terms are explained thoroughly, consumers are likely to react to these meats with less distaste.

Explain "processed," for example as meaning blended, creative, mixed and spiced, and often precooked. Explain "additives" as ingredients. Some walls of resistance may come down.

There's no mystery about ingredients in processed meat. For instance, all sorts of wild claims have been registered about the meat used in sausages. Sausages *are not* the home of "everything from a hog except the oink!"

The terms "pork and beef" or "beef" define the meat used as muscle tissue only—skeletal meat. If a by-product is used, beef heart, for example, the ingredient statement will include beef heart. If other than skeletal meats are used in the formulation, then the generic name such as "Frankfurters" must be qualified, for example Frankfurter with Variety Meat or Bologna, With By-Products; or Frankfurter, Cereal and Non-Fat Dried Milk Added.

Although it might appear convenient, inexpensive and tempting for meat processors to put *all* edible by-products in sausages, there is a limit to the amount of high connective tissue meat that can be used effectively. Least cost formulations typically have built-in factors that not only suggest a blend of meat that does not exceed 30 percent fat, but that also limit the connective tissue to a point beyond which palatability is reduced. Ultimately, the consumer's palate is the regulator.

Additives

Once we get beyond the question of "what meat is really used?" one factor remains separating processed meats from fresh meats: additives. But these ingredients added to sausage have a function: they are not thrown in carelessly. Table 3 is a list of many of the additives that are commonly found in sausage products.

No doubt more could be explained about additives. For example, the term "water-added." Water is a part of the cure that is pumped into the pork leg muscles before cooking and smoking. If, after cooking and smoking, the weight of the ham increases, then it must be labeled "ham, water-added." Ham, water-added, may contain up to 10 percent added moisture. Many consumers prefer moist ham and select water-added hams for their added palatability. In addition, water-added hams typically cost less than dry hams. Here, the "additive" is not mysterious.

There are many points of additive information that could be easily explained. Don't hesitate to contact the Meat Board for more information. Share this information, especially the functions of common additives, within your organization and with your customers.

When it comes to processed meats, I'd like to see Rodney Dangerfield out of work. ■

TABLE 1

Production Changes in Processed Meats

1977-1981

Bacon	−3.65%
Ham	+1.75%
Frankfurters	−10.76%
Dried/Semi-Dried Sausage	+8.97%
Fresh Sausage	+7.40%
Bologna	−8.70%
Other Sausage	+12.05%

Source: Calculations using data from 1978, 1982 *Meatfacts* (American Meat Institute).

TABLE 2

Percent of Total Sales

1977-1981

"Meat Department"	20.49	22.09
Fish	0.76	0.87
Fresh Meat	10.49	12.13
Poultry	2.26	2.52
Provisions	6.98	6.57

Source: *Supermarket Business* Consumer Expenditure Study 1978, 1982.

TABLE 3

Common Additives and Their Function in Sausages

Water or Ice	Minimizes overheating during chopping and mixing; aids dissolving of salt and other ingredients; affects texture and tenderness of finished product.
Salt (sodium chloride)	Improves keeping quality of meat products; aid meat protein extraction, enabling stable sausage emulsion; enhances flavor.
Nitrite (sodium nitrite)	Inhibits production and growth of Clostridium botulinum; fixes color; develops and protects flavor.
Ascorbates/ Erythorbates	Ensure, accelerate and stabilize color development.
Sugars (dextrose)	Mask salt flavor; in some dry and semi-dry sausages important in acid formation.
Liquid Smoke	Adds flavor, improves color.

**By
John J.
Francis
The Meat
Board**

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Growth of Generics Hits Plateau

BY ALAN MILLER

> Generics seem to have reached their peak of sales against advertised brands. The generic share of market is still a substantial one—about five percent— but as inflation eases, so should the demand for low-price goods.

Generics are losing some of the ground they took from advertised brands. A new comprehensive SAMI report on generic and regular private label share trends shows that the advertised brands are regaining some of the share they lost when the economy was in rough shape and food store prices skyrocketing.

The SAMI study just released contains dollar, poundage and unit share trends for the 12-week reporting period ending May 27, 1983. Figures are compared with those from a year earlier.

Generics seem to have peaked, and many marketers of name brands are grateful that sales were not as high as initially expected. In many product groups and categories, declines in both generics and regular private label shares are being seen. This signals an upturn in the penetration levels for the advertised brands.

Among soaps and detergents, for example, 12-week shares of constant dollar volume for generics have declined from 2.6 to 2.3 percent. In the regular private label items in this product group there is a loss from 5.2 to 4.6 percent.

Among food products, share losses for both generics and regular private label are seen among baking mixes, baking needs, canned fruit, juice drinks and canned vegetables, to name just a few product types where a counter-offensive by advertised brands has been successful.

Performance still important

Although generics appear to have lost momentum in several product areas, their current importance in the *overall* product mix cannot be underestimated. They still account for more than $2.6 billion. This doesn't include volume from generic cigarettes, a category not tracked by SAMI. Generics are reported to be continuing to exhibit growth and vitality.

Nationally, generics still account for more than five percent of constant dollar volume among canned and powdered milk (8.1 percent), jams, jellies, preserves (7.3 percent), paper products (5.8 percent) and canned fruit (5.5 percent). Generics appear in nearly three-quarters of all the product categories monitored by SAMI.

In all categories combined, during the 12 weeks ending May 27, 1983, generics gained $50 million, or eight percent versus the same period in the previous year. Their *rate* of gain in comparison with a year ago has been declining slowly, but the thrust is still upward.

Here is a look at how generics fared in a few of the categories tracked by SAMI (measured in constant dollar share):

In the dry grocery: food category, strong sellers still include crackers & bread products, with 13.6 percent of the constant dollar share (down from 15 percent the year before). Other products that still have a healthy constant dollar share, while posting slight declines, include: canned and bottled juices (with 10 percent of the market), canned fruit (11.6 percent), canned meat (13.3 percent), canned and powdered milk (17.4 percent). Most of these items declined at least two percentage points.

Sugar, which had a 57.7 percent share of the dollar last year, is at 43.7 percent for the current reporting period—a decline of 14 percent. This seems curious since sugar, more than prepared products, would seem generic by its nature and not reliant on brand names.

In dry food products, among

Constant Base All Departments

	Volume					
	Dollars			**Units**		
	Year Ago 12 Weeks $'000	**Current 12 Weeks $'000**	**% Change**	**Year Ago 12 Weeks '000**	**Current 12 Weeks '000**	**% Change**
Generic Label	87,372	76,727	−12.2%	137,349	119,213	−13.2%
Regular Private Label	143,897	146,811	+ 2.0	199,053	202,908	+ 1.9
Total Private Label	231,269	223,538	− 3.4	336,402	322,121	− 4.2
All Other Brands	886,089	950,899	+ 7.3	903,574	972,623	+ 7.6
Total Category	1,117,358	1,174,437	+ 5.1	1,239,976	1,294,744	+ 4.4
	Share					
Generic Label	7.8%	6.5%	− 1.3	11.1%	9.2%	− 1.9
Regular Private Label	12.9	12.5	− .4	16.0	15.7	− .3
Total Private Label	20.7	19.0	− 1.7	27.1	24.9	− 2.2
All Other Brands	79.3	81.0	+ 1.7	72.9	75.1	+ 2.2
Total Category	100.0	100.0		100.0	100.0	

This chart measures what is happening with generic and regular private labels now, among those food operators that have been handling these items since November, 1979. For these operators, generics have lost share. Regular private labels have lost too, but not as much.

National Projection Basis All Departments

	Dollars			**Units**		
	Year Ago 12 Weeks $ '000	**Current 12 Weeks $ '000**	**% Change**	**Year Ago 12 Weeks $ '000**	**Current 12 Weeks $ '000**	**% Change**
Generic Label	$ 640,423	$ 691,638	−8.0	906,160	947,733	+4.6
Regular Private Label	3,446,018	3,451,237	+ .2	4,144,765	4,086,238	−1.4
Total Private Label	4,086,441	4,142,875	+1.4	5,050,925	5,033,871	− .3
All Other Brands	17,298,391	18,382,414	+6.3	16,557,437	17,325,661	+4.6
Total Category	21,384,832	22,525,289	+5.3	21,608,362	22,359,632	+3.5
Generic Label	3.0%	3.1%	+ .1	4.2%	4.2%	± .0
Regular Private Label	16.1	15.3	− .8	19.2	18.3	− .9
Total Private Label	19.1	18.4	− .7	23.4	22.5	− .9
All Other Brands	80.9	81.6	+ .7	76.6	77.5	+ .9
Total Category	100.0	100.0		100.0	100.0	

This projection is based on SAMI's best estimate of total U.S. sales, based on the 84 percent of the national market that SAMI measures. The gain in share for generic labels is, as can be seen, very small, a scant .1 percent.

Generics Hit Plateau

the smallest decreases were seen with salt, seasoning and spices (down .1 percent, and holding 6.3 percent of current dollar share); pickles and relishes (down .6 percent).

In refrigerated generics, biggest movers continue to be processed cheese, margarine, natural cheese, lunch meats, frankfurters and bacon. Generics account for about four percent of the current dollar share for cheese, 3.6 percent for refrigerated meats and 1.8 percent for margarine and butter. All saw declines of around one percent (though margarine and butter declined just .4 percent in sales). Regular private label holds a larger share of the market.

In the Health and Beauty Aids category, most products have a modest constant dollar share of the market. Biggest share is held among first aid products, with 10.8 percent, down .2 percent from the year before. Proprietary remedies lost the most in this category, two percent. They now have four percent of the dollar market. Generic baby needs products also have a healthy share of the constant dollar market with 8.3 percent, up .1 percent from a year earlier.

Orange juice strong

In frozen foods, generic canned orange juice is the biggest seller. As a category, frozen juices and drinks account for 21.6 percent of the current dollar share, down from 27.4 percent a year ago.

Frozen potatoes have 6.2 percent over the current dollar share (up 2.7 percent), frozen pot pies have 19 percent (up 4.5 percent) and frozen regular vegetables have 10 percent, down one percent.

In the end, there will undoubtedly be considerable debate and conjecture on the reasons behind the rise and fall of generics, now that there is mounting evidence that price brands in food stores appear to be experiencing a hiatus in their penetration levels.

The answer will lie in a mixture of fact and theory. On the factual side, it is obvious that much of the growth of generics during the last five years has resulted from increases in the distribution of these items (they are still being distributed, but much more slowly than before). At the outset of the generic revolution, many retailers adopted a "wait and see" attitude before deciding whether or not to take the generic plunge. By now most, if not all, of these decisions have been made, and future growth cannot result from further expansion of the distribution of "no-names."

Inflation more than recession

Another factor that appears to have contributed to the acceptance of generics by consumers was the inflation spiral in effect during the period when generics were achieving their dramatic growth rates. When prices in food stores were rising relentlessly week after week, consumers were painfully mindful of the need to explore price buying alternatives. And with the emergence of generics in most food stores, there were two price choices: generics, usually displayed together in their own aisle; and regular private labels, most often displayed adjacent to the name brands with which they were competing on a price basis.

Continued on page 133

CONSTANT BASE
GENERIC LABEL
DRY GROCERY: FOOD

	DOLLARS			POUNDS			UNITS		
PRODUCT GROUP	YEAR AGO 12-WEEK SHARE	CURRENT 12-WEEK SHARE	SHARE POINT CHANGE	YEAR AGO 12-WEEK SHARE	CURRENT 12-WEEK SHARE	SHARE POINT CHANGE	YEAR AGO 12-WEEK SHARE	CURRENT 12-WEEK SHARE	SHARE POINT CHANGE
Baking Mixes	5.3%	3.8%	−1.5	8.0%	5.8%	−2.2	8.5%	6.2%	−2.3
Baking Needs	12.5	10.2	−2.3	26.9	21.9	−5.0	23.4	19.2	−4.2
Candy	5.1	3.5	−1.6	7.2	5.3	−1.9	5.6	3.9	−1.7
Cereal	1.4	1.3	− .1	2.1	2.1	± .0	1.9	1.9	± .0
Cocoa & Milk Modifiers	7.6	7.2	− .4	11.8	11.3	− .5	10.1	9.7	− .4
Coffee	4.5	3.1	−1.4	6.1	3.9	−2.2	4.9	3.0	−1.9
Condiments & Sauces	6.9	5.4	−1.5	11.0	8.9	−2.1	9.4	7.6	−1.8
Crackers & Bread Products	15.0	13.6	−1.4	23.5	22.1	−1.4	21.5	19.5	−2.0
Desserts	6.9	4.9	−2.0	10.5	7.5	−3.0	13.7	9.6	−4.1
Canned Fish	3.0	2.0	−1.0	4.0	2.9	−1.1	4.3	3.1	−1.2
Flour	8.8	7.3	−1.5	12.6	11.0	−1.6	13.9	11.4	−2.4
Canned Fruit	13.9	11.6	−2.3	17.7	15.0	−2.7	16.0	13.3	−2.7
Jams, Jellies, Spreads	8.6	7.9	− .7	13.7	12.5	−1.2	10.8	9.8	−1.0
Canned & Bottled Juices	12.1	10.1	−2.0	15.9	14.1	−1.8	9.7	8.4	−1.3
Juice Drinks	5.0	3.5	−1.5	6.5	4.4	−2.1	3.3	1.6	−1.7
Pasta	6.0	5.0	−1.0	9.2	7.5	−1.7	7.0	5.7	−1.3
Canned Meat	17.9	13.3	−4.6	23.7	17.7	−6.0	24.7	18.5	−6.2
Canned & Powdered Milk	19.0	17.4	−1.6	29.4	28.1	−1.3	26.1	25.1	−1.0
Pet Food	6.6%	5.7%	− .9	12.9%	12.0%	− .9	11.1%	9.4%	− 1.7
Pickles & Relishes	10.2	9.6	− .6	14.8	14.8	± .0	13.7	13.4	− .3
Prepared Foods	3.9	2.9	− 1.0	5.6	4.3	− 1.3	7.3	5.5	− 1.8
Salad Dressings, Mayonnaise	4.7	3.8	− .9	7.1	6.0	− 1.1	6.0	5.0	− 1.0
Salt, Seasoning, Spices	6.4	6.3	− .1	8.9	8.7	− .2	5.8	5.9	+ .1
Shortening & Oil	9.1	8.1	− 1.0	12.9	11.6	− 1.3	22.6	21.8	− .8
Snacks	9.9	8.9	− 1.0	14.1	12.7	− 1.4	11.5	10.0	− 1.5
Soft Drinks & Beverage Mixes	14.4	12.0	− 2.4	18.2	15.5	− 2.7	11.3	10.1	− 1.2
Soup	3.8	3.2	− .6	5.0	4.5	− .5	5.4	4.9	− .5
Sugar	57.7	43.7	−14.0	63.7	48.3	−15.4	55.4	41.5	−13.9
Syrups & Molasses	5.9	5.1	− .8	11.2	10.0	− 1.2	10.6	9.3	− 1.3
Tea	7.7	6.7	− 1.0	14.0	13.8	− .2	7.0	7.7	+ .7
Canned Vegetables	9.4	7.2	− 2.2	11.7	9.1	− 2.6	12.2	9.4	− 2.8
Dried Vegetables	3.8	3.9	+ .1	7.1	7.0	− .1	4.8	4.8	± .0

Generics

Continued from page 24

The turning point in the growth of generics and regular private labels, increasing their importance in tandem, appears to have occurred at the time when the inflation showdown became apparent. In retrospect, it would appear that rapidly rising prices are much more conducive to the growth of store brands than is the fact of a recession economy. Traditionally, going back to the Great Depression of the 1930s, private labels have not benefitted by conditions of economic hardship. Behaviorists attribute this phenomenon to the fact that when dollars are hard to come by, consumers, particularly the very poor and disadvantaged, do not want to run the risk of taking a chance on a purchase that might involve inferior quality.

Another factor that may help to explain the apparent saturation point of generics is that initially, they were launched by retailers as a short-term competitive and expedient merchandising program rather than as a long-range policy. Many chains offered generics as a defensive measure to help avoid losing customers to food outlets that were exploiting price savings. As soon as almost every store was competing on an equal footing from the standpoint of private label price offerings, the focus of attention was taken off what was now a common denominator—instead of a unique sales advantage.

Finally, one must expect that the counter-offensives launched by advertised brands in reaction to the competitive threats of generics and regular labels have contributed to the share improvements that name brands are enjoying.

In some instances, manufacturers of products in categories in which price brands have been particularly threatening have increased their trade allowance and couponing activities in order to weaken the low price attraction of store brands. More recently, important new product activity—stimulated in part by the upturn in the economy—has taken some of the attention away from price brands and enabled new product manufacturers to focus attention on product attributes that "commodity" generics and regular private labels do not possess.

The basic thrust of the new SAMI study, a few findings of which are published on Pages 23 and 24, is that generics and regular private label offerings overall have reached their peak and have passed it.

As with every rule, there will be exceptions—categories where price brands are still flourishing, retailers who are finding new ways to attract buyers to their store price brands, or markets in which generics may have had a slow start and are still in the growth stage. ■

Dry Grocery: Food

Category	Number of Warehouses
Peanut Butter & Combinations	315
Jams, Jellies, Preserves	314
Dry Packaged Dinners	310
Tea Bags	308
Dry Dog Food	304
Cooking & Salad Oils	296
Ketchup	296
Maple Syrup	291
Coffee Creamers	290
Canned Green Beans	283
Pasta	281
Pepper	281
Canned Peas	277
Milk Modifiers	275
Canned Corn	272
Solid Shortening	259
Dried Rice	259
Italian Food Sauce	258
Apple Juice	250
Canned Peaches	248
Canned Tomatoes	248
Dessert Baking Mixes	247
Pickles	247
Snack Nuts	244
Wet Dog Food	241
Dry Cat Food	240
Apple Sauce	235
Crackers	233
Canned Pears	226
Spoonable Salad Dressings	222
Mayonnaise	218
Single Strength Juice Drinks	214
Beans, Pork & Beans	210
Prepared Mustard	208

This chart shows categories with highest number of food operator warehouses shipping generic labels, for the four weeks ending May 27, 1983.

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The world's greatest athletic event is about to take place, the 1984 Summer Olympic Games in Los Angeles. And BICYCLE, America's best selling playing card will be a part of the excitement, the athletic achievements and the pride of hosting this first Summer Olympiad on American soil since 1932.

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36TH ANNUAL

CONSUMER EXPENDITURES STUDY

Trading Up and Trading Down

Consumers reacted to the dual threat of recession and inflation in 1982 by trading down to lower price quality in some areas, while trading up in many others.

Total grocery store sales in 1982, as reported in this 36th Annual Consumers Expenditure Study, amounted to $230.6 billion, a gain of just 4.4 percent over sales in 1981. This is the smallest gain since 1976, when sales in grocery stores reflected the second spiral of inflation in terms of grocery price increases within the decade. Indeed, this 4.4 percentage increase of grocery sales is just one percentage point above the price increase for 1982, of 3.4 percent. Whether prices will hold at this level for long remains to be seen, but at least 1983 appears to be following with a similar flattening of the inflation rate.

To many observers in the grocery industry inflation is a more important indicator of consumer buying behavior than is recession. Yet, it is often the recession of 1981 and 1982 that received the greatest attention and worry of manufacturers and grocery operators alike. New product introductions came almost to a standstill during the onset of the recession. But, it is argued, it is the continual impact of price increases on top of price increases that had the greatest impact on how people spent their grocery and food dollars. A closer look at individual product category performance seems to support this argument.

In a sense, while consumers may trade down during a serious recession—more hamburger instead of steak—there are many who also trade up, where the real value of quality of life and lifestyle is perceived. Thus there is the remarkable performance of upscale, low-calorie frozen products, such as Lean Cuisine, and gourmet frozen dinners, such as Le Menu and Dinner Classics. Sales of frozen pizza, on the other hand were relatively flat.

Generic labels no contradiction

Going to the opposite extreme of the total grocery store sales seems to add more fuel to the argument. Generic label sales, for example, continue to grow in terms of total dollars sales, but seem to have reached a plateau in terms of share when compared to a constant base of operators—that is, not including new operations that have recently added generic labels. The top generic label performers, as can be seen in a separate article in this issue, seem to be in those categories that are more of a commodity nature, or where price increases are readily apparent as price/value relationships, as in cigarettes, cleaning products, paper products, jams and jellies.

Some everyday, high-volume, heavy-usage products that almost seemed recession proof in the past may have been more adversely affected by the double dose of inflation and recession. Beer and soft drinks have been traditionally two of these kinds of products. Beer sales in 1982 showed relatively modest increases. In the middle or mid-range priced beers, sales were sluggish for most brewers. But sales of imports and "popular"-priced beers were relatively vigorous. Another example of trading up on the part of some consumers, and trading down on the part of others—at least in this category.

Fresh fruit and vegetables sales certainly reflect the changing eating habits in America, with increases continuing at a healthy pace. Similarly heavy increases in baking needs and condiments must also reflect the seemingly conflicting consumer patterns of spending more on prepared food like frozen gourmet dinners, and more on ingredients and condiments for more personal food preparation. Both trends are apparently true.

These directions in consumer spending for food and groceries are, of course, reflected in the kinds of stores they shop as well. While 1982 was the year of the introduction of the super warehouse store, such as Edwards Food Warehouse stores, and Cub Foods, it was also the year of the refinement of the luxury super store, such as the Super Stop & Shop and the hybrid 24-hr Ralphs Super-Store. Even these extremely different kinds of stores are not as contradictory as they seem. Ralphs, Cubs and Edwards emphasize price and value, while they also offer a wide assortment of fresh perishables and bulk foods.

If the new store developments can be summed up in a single description, they are all devoted to a wide assortment of choice, variety, with heavy emphasis on personal service and a desire to bring the freshness and goodness of the food products themselves closer to the consumer. The size of these new stores is itself an indicator of a differ-

Continued on page 35

Grocery Stores Show Lowest Percentage Sales Gain in Two Decades

There wasn't much 'real' growth for grocery store sales in 1982, but there was a lot of shifting: consumers either traded up or down in price. Expensive items and economy products showed more growth than mid-range ones.

You might call it the year of the economic charley horse for the grocery industry. Hobbled by a major recession and high unemployment, while adjusting to flagging inflation, grocery store sales in 1982 limped along to the smallest percentage increase in more than two decades.

Dollar sales reached $230.6 billion, an increase of only 4.4 percent, compared to a 9.4 percent rise in 1981. The dollar gain was just $9.6 billion versus $19 billion for the previous year. The Consumer Price Index for Food at Home went up 3.4 percent in 1982, while reaching 7.3 percent the year before, so "real" growth was only 1.0 percent, which is very close to the increase in population.

Per capita consumption of food was down only slightly in 1982, about 0.5 percent. However, the use of red meat declined by 5.0 percent to 149 pounds per person, the lowest since 1965 and more than 14 percent below the record 170 pounds per person in 1971.

Much of the 1982 decline in red meat use was due to a sharp drop in pork sales. Beef and veal consumption remained the same, as population growth offset a small rise in beef production.

For the first time ever, poultry consumption per person exceeded that for pork in 1982, with a growth of 1.6 percent. This increase is the result of the low price of poultry, compared to pork, reflecting the higher feed conservation ratio of poultry. Poultry producers also have the advantage of being able to react faster to changing market conditions than do pork producers, thereby gaining a competitive cost edge in the short run.

Egg consumption remained the same in 1982, but dollar sales dropped due to a 2.8 percent price decline. Even though egg production was down by 1.0 percent, sluggish export demand kept prices down for the year.

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NOTE: Detailed tables on product performance begin on page 47.

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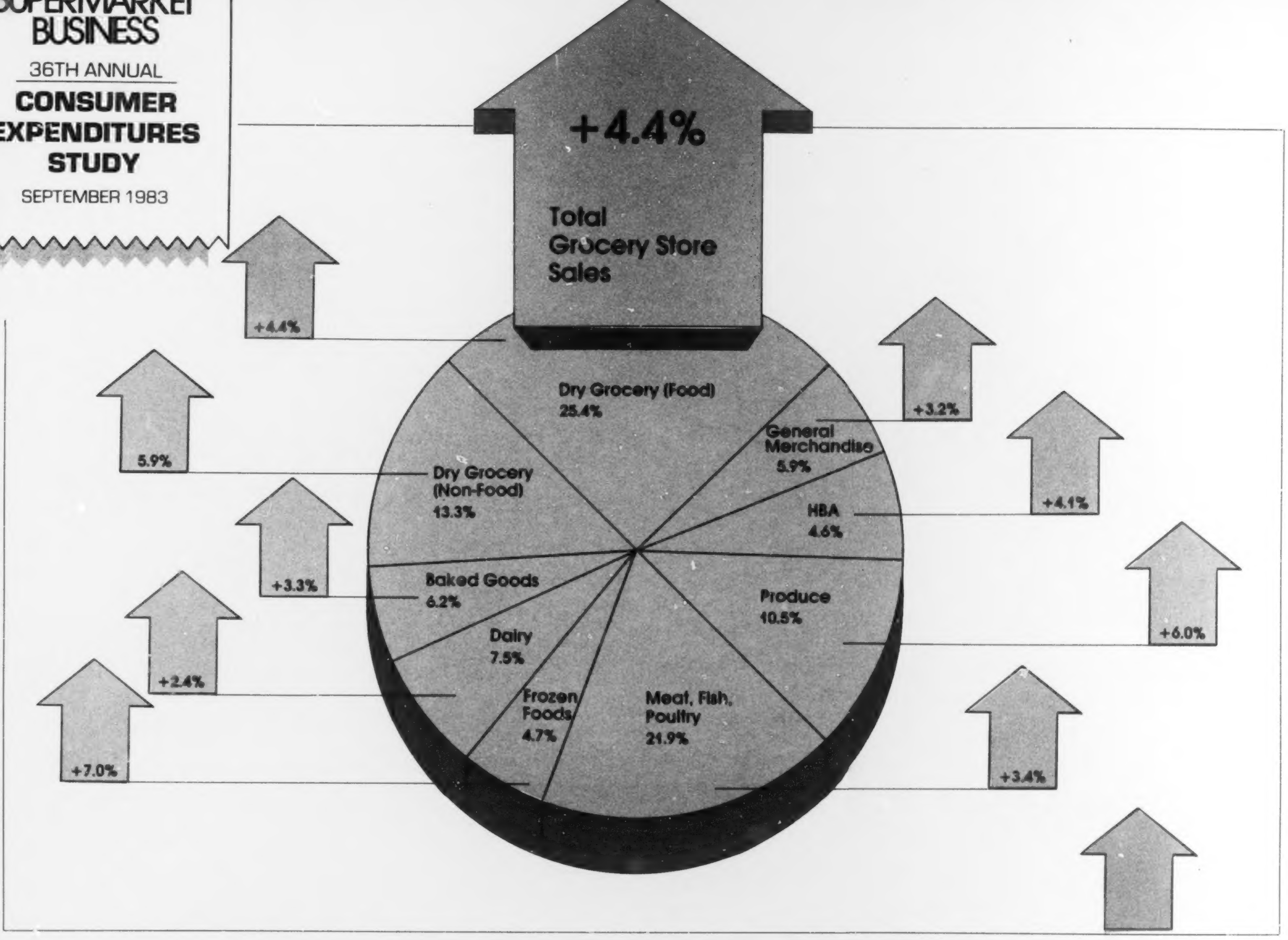

1982 may be remembered as the year of the dollar, when the greenback regained some of its former esteem both at home and abroad.

Sales in grocery stores edged up a comparatively thin 4.4 percent, enough, however, to accommodate a "real"—or tonnage—gain of about one percent after allowing for a 3.4 percent increase in prices for food at home.

Three departments, as shown here, outstripped the overall average: frozen foods (with a 7.0 percent gain); produce (6.0 percent); and dry grocery, non-food (5.9 percent).

Aided and abetted to a large degree by above-average stability in their prices, the dairy, meat and non-foods sectors eked out sales increases smaller than that of the overall store. While departmental performance is of interest, the real action at the store level in terms of ordering products and determining space allocation is at the level of individual product categories.

Detailed statistics on the performance of several hundred product categories can be found in the pages that follow.

METHODOLOGY

As it has been for the past 36 years, this issue of SB's Consumer Expenditures Study is a product of consensus rather than census. Our "staff of correspondents," a veritable "Who's Who" in the grocery industry, is comprised of leading manufacturers, packers, importers, bottlers, trade associations, marketing and management companies, advertising agencies, and, of course, major chains and wholesalers.

Respondents to our questionnaires were supplied with the sales estimates from the 35th Annual CES (1981) for the product lines in which they specialize. We asked them to indicate the percent change in retail sales for their products in all outlets and through grocery stores alone. They also had the option to adjust previous sales figures according to their knowledge of the market.

Whenever the estimates of our respondents differed significantly, they were questioned further until the reasons for the variations were resolved. The differences were usually the result of problems with definition or interpretation of questions. After adjustments were made, the reported percent changes were averaged and applied against our 1981 figures, giving us estimates for 1982.

Other sources which we wish to acknowledge for their contributions to the study include: U.S. Department of Commerce, U.S. Department of Agriculture, U.S. Bureau of Labor Statistics, Census of Manufacturers, and USDA Foreign Agricultural Service. ■

Our Definitions of Grocery Stores . . .

Definitions: Some of the following terms are referred to in this report. To assist interpretations of our findings, they are listed below:

Supermarket—Complete, full-line self-service food markets with a minimum volume of $2 million per year.

Superette—Self-service or service food stores handling groceries, meats and produce, with annual sales of $1 million to $2 million.

Convenience Store—Bantam or small food stores, usually open extended hours and selling a limited line of fast-moving items.

All Other Food Stores—Small (less than $1 million annual sales) general food stores and specialty food stores whose major line may be meat, dairy, produce or general groceries, or food stores not classified above.

Chain—An operator of four or more food retailing stores, regardless of individual dollar volume.

In 1982, the average household dispersed $52.16 in grocery stores, an increase of 2.4 percent over 1981. The trend of recent years towards more one-person households slowed down along with the economy, but is due for a revival.

Small households are generally considered a boon to supermarket sales. In addition to purchasing one of everything (e.g. mayonnaise) for the larder, they are good customers for non-foods purchases and for service departments like deli and bakery.

Helped along by above-average price increases, dry grocery non-foods categories such as tobacco and soaps and detergents showed outstanding increases in weekly purchases per household last year.

The interest of consumers in fresh, healthier foods is reflected in the 4.2 percent advance of produce to $5.50 per household per week. By comparison many processed food products showed a sluggish performance. Out of every dollar spent in the grocery store, 76.2 cents goes for food and the balance for non-edibles.

WEEKLY SPENDING IN GROCERY STORES REACHES $52.16 PER HOUSEHOLD, $19.08 PER CAPITA

	1981		1982	
POPULATION	227.7 million		232.0 million	
HOUSEHOLDS	83.5 million		84.9 million	
	ANNUAL	**WEEK**	**ANNUAL**	**WEEK**
PERISHABLES				
Per capita	$ 493.86	$ 9.50	$ 504.92	$ 9.71
Per household	$1,346.98	$25.90	$1,380.08	$26.54
DRY GROCERY (FOOD)				
Per capita	$ 247.21	$ 4.75	$ 251.16	$ 4.83
Per household	$ 674.26	$12.97	$ 686.40	$13.20
TOTAL FOODS				
Per capita	$ 741.06	$14.25	$ 756.08	$14.54
Per household	$2,021.24	$38.87	$2,066.48	$39.74
DRY GROCERY (NON-FOOD)				
Per capita	$ 126.74	$ 2.44	$ 131.68	$ 2.53
Per household	$ 345.69	$ 6.65	$ 359.84	$ 6.92
GENERAL MERCHANDISE/HBA				
Per capita	$ 103.03	$ 1.98	$ 104.66	$ 2.01
Per household	$ 281.02	$ 5.40	$ 286.00	$ 5.50
GRAND TOTAL				
Per capita	$ 970.85	$18.67	$ 992.42	$19.08
Per household	$2,647.96	$50.92	$2,712.32	$52.16

NOTE: Population and household data from U.S. Bureau of the Census. Includes one-person households. Excludes armed forces overseas.

HOW AN AVERAGE HOUSEHOLD DOLES OUT ITS DOLLARS IN GROCERY STORES EACH WEEK

	1981	1982	CHANGE
PERISHABLES			
Baked goods	$ 3.17	$ 3.22	+ 1.6%
Dairy	3.86	3.92	+ 1.6
Frozen foods	2.33	2.46	+ 5.6
Fresh meat and provisions	9.52	9.67	+ 1.6
Fresh fish	.45	.47	+ 4.4
Fresh poultry	1.29	1.30	+ 0.8
Produce	5.28	5.50	+ 4.2
Total	**$25.90**	**$26.54**	**+ 2.5**
DRY GROCERY (FOOD)			
Beer	$ 2.31	$ 2.37	+ 2.6
Wine and liquor	.31	.31	—
Baby food (excluding cereals, formulas)	.17	.13	−23.5
Cereal and rice	.79	.85	+ 7.6
Candy and chewing gum	.57	.59	+ 3.5
Canned foods			
Fruits	.34	.34	—
Juices and drinks	.25	.44	+76.0
Meat and poultry	.48	.47	− 2.1
Milk	.09	.09	—
Seafood	.42	.41	− 2.4
Soups	.29	.30	+ 3.5
Vegetables	.59	.61	+ 3.4
Coffee and tea	1.29	1.26	− 2.3
Dried foods	.57	.59	+ 3.5
Jams, jellies and preserves	.22	.23	+ 4.6
Macaroni, spaghetti, noodles	.18	.19	+ 5.6
Desserts	.10	.10	—
Soft drinks	1.41	1.43	+ 1.4
Sugar	.41	.37	− 9.8
Misc.	2.25	2.12	− 5.8
Total	**$12.97**	**$13.20**	**+ 1.8**
Total Foods	**$38.87**	**$39.74**	**+ 2.2**
DRY GROCERY (NON-FOOD)			
Paper goods	$ 1.56	$ 1.55	− 0.6
Soaps, detergents	.94	1.02	+ 8.5
Other household supplies	1.03	1.12	+ 8.7
Pet foods	.94	.97	+ 3.2
Tobacco products	1.79	1.95	+ 8.9
Misc.	.39	.31	−20.5
Total	**$ 6.65**	**$ 6.92**	**+ 4.1**
GENERAL MERCHANDISE/HBA			
Health and beauty aids (non-Rx)	$ 2.08	$ 2.14	+ 2.9
Prescriptions	.26	.28	+ 7.7
Housewares	.64	.66	+ 3.1
All other general merchandise	2.42	2.42	—
Total	**$ 5.40**	**$ 5.50**	**+ 1.9**
GRAND TOTAL	**$50.92**	**$52.16**	**+ 2.4**

TRADING UP, DOWN

Continued from page 31

ent approach to selling food and grocery products, as well as general merchandise. Taken together, these new stores represent a revolution in retail presentation of food and groceries. Instead of limiting choice and variety through fewer offerings, fewer shelf facings, more prepackaging and self-service, these stores encourage competition on the shelf and within the store, in terms of choice of quality, brands, generics, fresh versus process and bulk versus packaged.

These stores have also found a solution to the encroachment on the supermarket of foot-eaten-way-from-home. Take-out foods of every kind, from fresh baked goods, to sandwiches, salads, and hot foods have turned the supermarket into the store where you can prepare it yourself or take it with you ready to eat. In many stores, too, there is room for a full sit-down restaurant, or a snack bar. As a result, food away from home grew at just 0.5 percent share—largely in increased prices.

Food and pharmacy

The combination store is also a continuing factor in the development of the new breed of super supermarkets. Wherever feasible, supermarkets are adding full-line pharmacies under the same roof. Thus drug prescriptions are showing continued sales increases through supermarkets. Most major supermarket chains and indepen-

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CATEGORIES THAT INCREASED IN SALES IN 1982

LARGEST PERCENT INCREASES IN DOLLAR SALES

RANK	CATEGORY	1982 GROCERY STORE SALES (000)	% INCREASE	% OF STORE VOLUME
1	Herb tea	$ 82,280	30.3%	.04%
2	Pre-moistened towels & wipes	66,020	28.7	.03
3	Hypoallergenic infant formulas	163,250	23.2	.07
4	Batteries	345,060	22.6	.15
5	Nationality foods	391,060	22.4	.17
6	Frozen corn	98,540	20.8	.04
7	Frozen peas	91,720	20.7	.04
8	Film processing	186,660	20.4	.08
9	Routine infant formulas	563,350	19.8	.24
10	Film	456,790	19.7	.20

NOTE: Excludes HBA

LARGEST VOLUME INCREASES IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES (000)	% INCREASE	% OF STORE VOLUME
1	Fresh vegetables	$810,840	5.9%	6.28%
2	Cigarettes	798,850	11.0	3.49
3	Beef	653,730	3.1	9.43
4	Fresh fruit	560,490	6.1	4.25
5	Beer	460,280	4.6	4.54
6	Cold cereals	287,757	11.3	1.23
7	Toilet paper	193,850	10.7	.87
8	Natural cheese	191,540	9.4	.97
9	Bottled soft drinks	190,110	3.0	1.90
10	Disposable diapers & liners	179,610	12.8	.69
11	White bread	167,820	3.2	2.35
12	Housewares, other	162,310	3.8	1.28
13	Canned vegetables	154,970	6.1	1.17
14	Cold cuts and other provisions	153,250	3.4	2.02
15	Fresh poultry	150,620	2.7	2.48
16	Packaged bacon	143,130	6.6	1.06
17	Crackers & biscuits	142,360	4.1	1.57
18	Prescriptions	141,685	12.7	.55
19	Frozen vegetables	138,892	11.3	.60
20	Candy & chewing gum	135,801	5.5	1.14

HOW TONNAGE CHANGED FOR SOME PRODUCTS WHICH LED IN DOLLAR SALES INCREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Cigarettes	+11.0%	+11.7%	− 0.6%
Cold cereals	+11.3	+ 9.1	+ 2.0
Prescriptions	+12.7	+11.7	+ 0.9
Frozen vegetables	+11.3	+10.3	+ 0.9
Natural cheese	+ 9.4	+ 2.6	+ 6.6
Toilet paper	+10.7	+ 5.4	+ 5.0
Canned vegetables	+ 6.1	+ 5.3	+ 0.8
Bacon	+ 6.6	+22.6	−13.1
Fresh fruit	+ 6.1	+11.1	− 4.5
Candy & chewing gum	+ 5.5	+ 3.2	+ 2.2
Disposable diapers & liners	+12.8	+ 6.9	+ 5.5
Beer	+ 4.6	+ 4.7	− 0.1

*Based on BLS Consumer Price Index

CATEGORIES THAT DECREASED IN SALES IN 1982

LARGEST PERCENT DECREASES IN DOLLAR SALES

RANK	CATEGORY	1982 GROCERY STORE SALES (000)	% DECREASE	% OF STORE VOLUME
1	Pastes, solids, strip pesticides	$ 24,990	23.2%	.01%
2	Dry toppings	24,100	20.5	.01
3	Dried peas & beans	283,320	12.5	.12
4	Canning rings	5,180	9.4	*
5	Liquid floor waxes	4,480	9.3	*
6	Frozen/synthetic orange drink	33,320	8.9	.01
7	Sugar	1,613,050	8.9	.70
8	Stockings, women's	9,610	7.7	*
9	Peanut butter	447,470	7.4	.19
10	Lard	70,570	6.4	.03

NOTE: Excludes HBA
*Less than .005%

CATEGORIES THAT DECREASED IN DOLLAR SALES IN 1982

RANK	CATEGORY	DOLLAR SALES (000)	% DECREASE	% OF STORE VOLUME
1	Sugar	$157,590	8.9%	.70
2	Beans & peas, dried	40,470	12.5	.12
3	Peanut butter	35,760	7.4	.19
4	Eggs	30,660	2.6	.50
5	Meat, canned	15,880	0.8	.85
6	Family flour	14,340	2.7	.22
7	Iced tea mixes	12,660	5.3	.10
8	Pesticides, solids	7,550	23.2	.01
9	Grapefruit juice, canned	7,440	5.0	.06
10	Flash bulbs & cubes	7,320	9.4	.03

HOW TONNAGE CHANGED FOR SOME PRODUCTS WHICH LED IN DOLLAR SALES DECREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Eggs	−2.6%	− 2.8%	+0.2%
Peanut butter	−7.4	−11.3	+3.5
Sugar	−8.9	− 9.2	+0.3

*Based on BLS Consumer Price Index

Most categories that registered large percentage increases in dollar sales did so from relatively modest bases. Among the exceptions were batteries, nationality foods, routine infant formulas and film, all of which were already substantial sellers before tacking on gains of 20 percent or more for 1982.

The 11.0 percent increase in dollar sales of cigarettes — which translated to a whopping $800 million — derived entirely from a series of price increases which added up to 11.7 percent. That tonnage slipped a mere 0.6 percent is a testimonial to the entrenched strength of the cigarette category.

Every game that has winners necessarily has some losers too. But what looks like a loser in dollar sales can in reality be a winner in terms of the more important criterion of tonnage. Peanut butter, for example, saw dollar sales deflate by 7.4 percent in 1982. A closer look, however, shows that prices dropped back by 11.3 percent, facilitating a 3.5 percent increase in tonnage. For products that decreased in both dollars and tonnage, long-term changes in taste or habit may be responsible. Examples might be found in canned meat and flashbulbs and cubes.

Continued from page 35

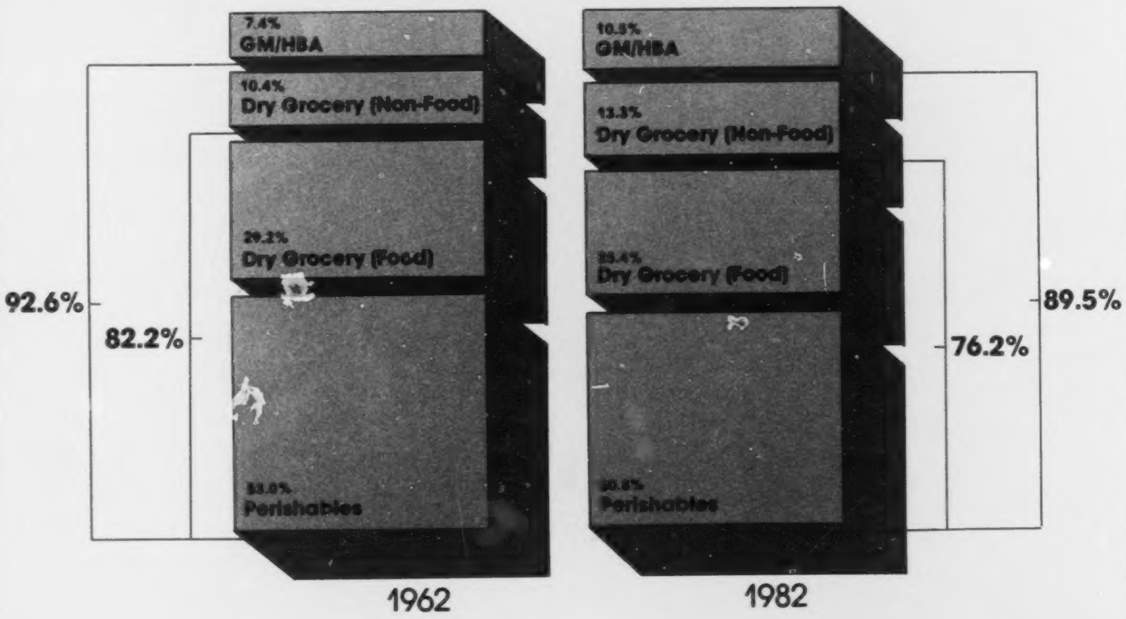
dents will add a pharmacy wherever the opportunity and state law permits it. Adding a pharmacy to a supermarket also implies a greater number of SKUs for H&BA.

The recession had little effect on the sales of pet foods, tobacco and general merchandise, although these are areas where certain generic labels have shown steady increases. While semi-moist cat food, hardly a low cost way of feeding a pet, showed sales increases at a rate of 9.3 percent, tobacco products increased by 10.7 percent.

Within the category of health and beauty aids, several categories continue to report double-digit increases in grocery sales. Cosmetics and hand products set a rapid pace with sales at 18 pecent above those of 1981. Hair care products also showed good sales increases. The mini baby boom is reflecting its impact on the baby care and feeding sections of the department.

There are far too many product categories and sub-categories to discuss within these introductory pages. But throughout this special report on consumer buying patterns, there are hundreds of individual product breakouts, to augment the industry performance tables and charts of retail grocery store sales for 1982. In this year's Consumer Expenditure Survey, many charts and tables have been streamlined to incorporate or eliminate unnecessary breakouts for easier reading and comprehension, while the individual "focus" articles discuss marketing and merchandising trends and directions in selected major categories. ■

SOME SIGNIFICANT SHIFTS OVER 20 YEARS



We are, as the saying goes, what we eat. But a supermarket is less and less, as time goes by, what it sells to eat. Non-edibles (here defined to include general merchandise, health and beauty aids and dry grocery, non-food) increased their share of store sales by 34 percent over the last two decades.

The fastest-growing sector was GM/HBA, with a 42 percent rate of increase from 7.4 percent up to 10.5 percent. The contraction of edible dry groceries is explained by both the willingness of stores to increase the space they give to non-foods and by the recent swing in taste towards perishables.

A 15-YEAR PERSPECTIVE ON HOW FOOD PRODUCTS SELL IN GROCERY STORES

	1967	1972	1977	1982
PERISHABLES ($ millions)	$39,263	$47,438	$ 73,417	$117,141
Baked goods	8.94%	8.10%	7.80%	8.09%
Dairy	10.81	9.69	9.45	9.84
Frozen foods	5.08	7.05	6.34	6.17
Fresh meat, fish, poultry	27.63	26.72	26.43	28.73
Produce	13.11	13.37	13.89	13.81
Total	65.57%	64.93%	63.91%	66.64%
DRY GROCERY (FOOD) ($ millions)	$20,605	$25,617	$ 41,466	$ 58,638
Baking needs	.06%	.05%	.04%	.05%
Alcoholic beverages	6.08	6.46	6.62	6.74
Prepared beverages	4.94	5.22	5.90	3.59
Soft drinks	2.62	3.13	3.31	3.59
Confectionery	1.41	1.42	1.38	1.49
Canned foods	8.56	8.45	7.75	7.00
Cereals, flour, macaroni	3.38	3.18	3.40	3.72
Condiments, dressings	2.26	2.17	2.23	2.63
Desserts	.29	.23	.20	.24
Dried foods	1.38	1.38	1.55	1.49
Fats and shortenings	.83	.68	.95	.78
Jams, jellies and preserves	.50	.44	.49	.57
Sweeteners, flavors	1.29	1.13	1.32	1.16
All other foods	.83	1.13	.95	.31
Total	34.43%	35.07%	36.09%	33.36%
TOTAL FOODS	$59,868	$73,055	$114,883	$175,780
	100.0%	100.0%	100.0%	100.0%

Trend watchers might be confounded by the lack of dramatic transformation in taste over the last 15 years suggested by this table. Does this mean that the contents of a typical shopping cart approaching the checkout today resembles its 1967 counterpart? Far from it.

Within these necessarily broad category totals are concealed stories such as the rise of yogurt, poultry and upscale prepared frozen dinners.

Or, conversely, the setbacks of butter, beef and many processed foods. In many categories new products that promised to be light, natural, low-sugar or salt-free have elbowed their more traditional predecessors off the shelf.

The figures shown here represent shares of dollar sales, so the real changes in share of tonnage have been distorted by varying rates of price increases.

CASH TND 30.00

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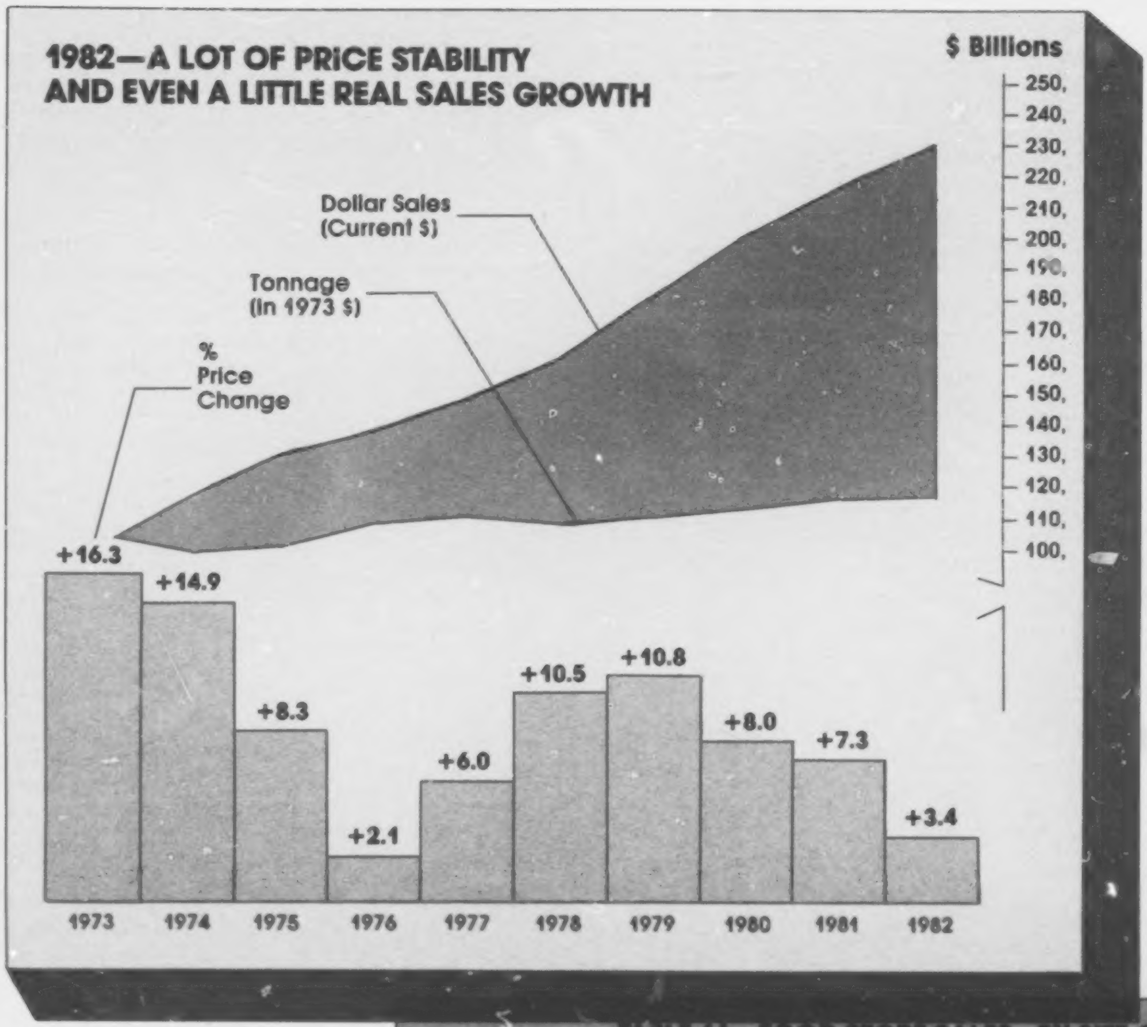


The saw-toothed record of price increases for food purchased in grocery stores is a fever chart of shopper anxiety. The double-digit heating up of 1973 and 1974 receded, only to be re-ignited in 1978 and 1979.

The meager 3.4 percent rise registered in 1982 is a cold compress of relief that few dared to anticipate. While helping to revive the enjoyment shoppers once found in supermarket shopping, disinflation has provoked some new anxiety, this time among retailers themselves.

Inflation can no longer be counted on to fulfill forecasted sales increases. Increases in tonnage must be realized, not always easy, as evidenced by the record.

While dollar sales doubled between 1974 and 1982, tonnage swelled by a mere 14 percent. The difference of course is a phantom increase borne by price increases.

Food store sales passed the quarter-trillion dollar mark last year. Sales of grocery stores grossing under $2 million a year remain static at best with the notable exception of convenience stores.

At the supermarket level (stores with over $2 million a year in sales) closings outnumbered openings as the average supermarket continued to grow in physical size. Many new units were large enough to accommodate the various service departments that shoppers increasingly perceive as the norm.

In many instances the service departments stand side by side with dry grocery sections, which are promoted in the warehouse pricing mode. Another big space grabber in the larger new stores is nonfoods, with its attractive margin structure.

New life is being breathed into the competing specialty food store sector as shoppers appreciate the opportunity to save some time between visits to big stores even while splurging a little for customized quality and individualized service.

TABLE 1A—FOOD STORE SALES—BY SIZE OF STORE

	SALES (000)		PERCENT OF VOLUME	
	1981	1982	1981	1982
SUPERMARKETS Over $2 million	$161,658,800	$171,578,000	67.9%	67.9%
SUPERETTES $1 million to $2 million	$ 15,386,490	$ 15,064,033	6.5	6.0
OTHER GROCERY STORES Under $1 million[1]	$ 43,975,710	$ 43,998,967	18.5	17.4
Total Grocery Stores	**$221,021,000**	**$230,641,000**	**92.8%**	**91.2%**
Specialty Food Stores[2]	$ 17,035,000	$ 22,159,000	7.2	8.8
TOTAL FOOD STORES	**$238,056,000**	**$252,800,000**	**100.0%**	**100.0%**

[1] Includes convenience stores and other small grocery stores.

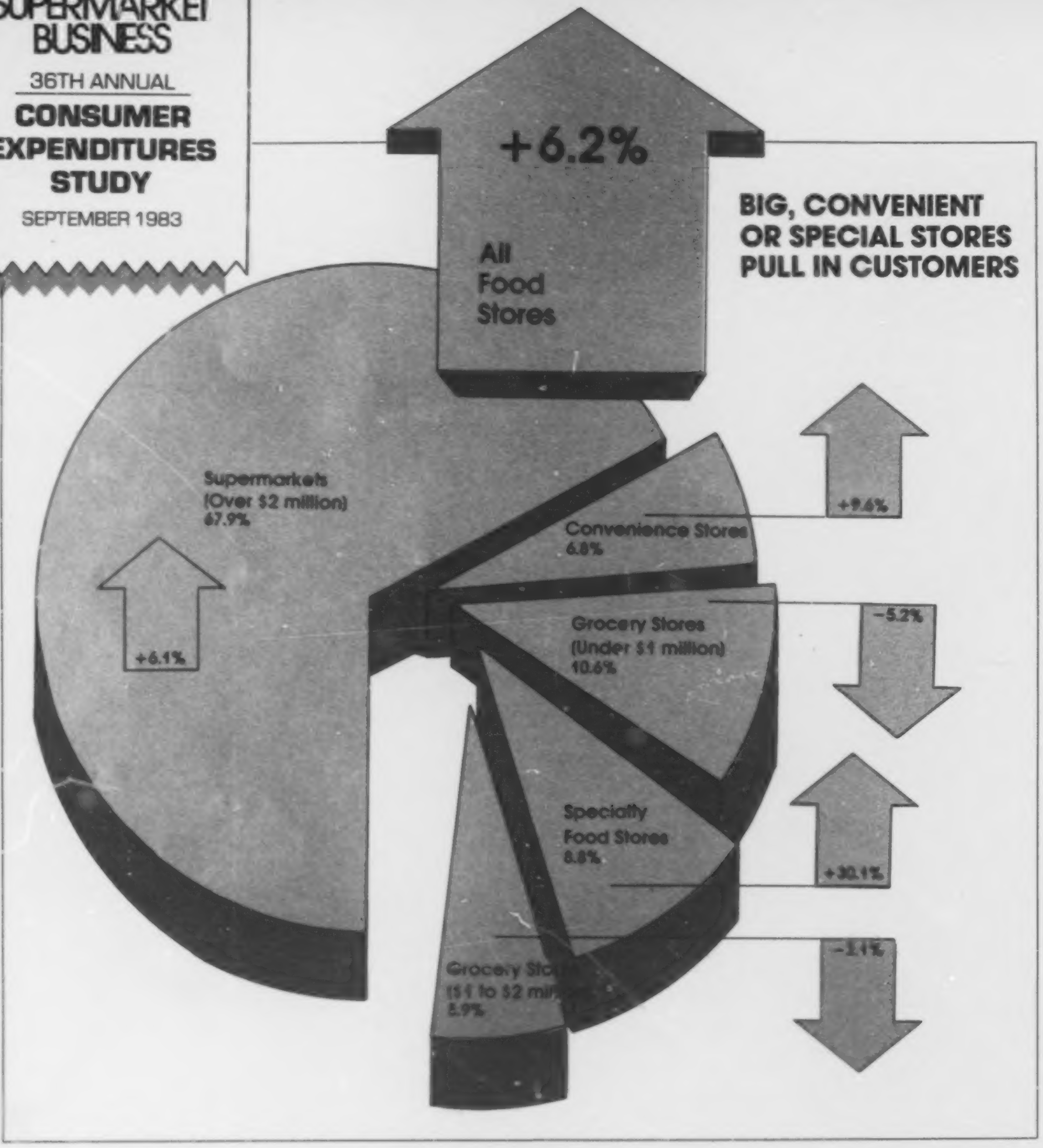
[2] Includes meat, seafood, fruit and vegetable markets, confectionery, bakery, dairy and other food stores.

TABLE 1B—FOOD STORE SALES—BY AFFILIATION

	SALES (000)		PERCENT OF VOLUME	
	1981	1982	1981	1982
Independent Grocery Stores[1]	$ 73,971,405	$ 76,590,491	31.1%	30.3%
Chain Grocery Stores[2]	$147,049,595	$154,050,509	61.8	60.9
Total Grocery Stores	**$221,021,000**	**$230,641,000**	**92.9**	**91.2**
Specialty Food Stores	$ 17,035,000	$ 22,159,000	7.2	8.8
TOTAL FOOD STORES	**$238,056,000**	**$252,800,000**	**100.0%**	**100.0%**

[1] One to three stores. [2] Four or more stores.

BIG, CONVENIENT OR SPECIAL STORES PULL IN CUSTOMERS



Changes in the dynamics of the food store industry are accelerating in pace. Old definitions of types of outlets are losing air fast. That supermarkets—defined as stores with $2 million or more in annual sales—increased their sales by 6.1 percent last year tells us little of what actually happened.

In a particular market, for example, new super warehouse stores may flirt with one million dollars in weekly sales, while stores with only $2 million or so in annual sales falter or perish. In fact, some departments in the new behemoths can regularly outgross entire traditional supermarkets.

An interesting counterbalance—or perhaps complement, from the shopper's point of view—to the success of the supersized, is the robustness of both convenience stores and specialty food stores.

After a decade of mostly bad marks for deportment, food prices behaved themselves last year.

The rate of price increases for food prepared at home dropped almost in half from 7.3 percent to 3.4 percent. In the bellwether meat department almost all was calm. Although pork muddied the price waters with a 12.9 percent increase, the situation eased in 1983 as oversupply became a problem.

THE YEAR SUPERMARKET PRICES COOLED OFF

*Source: Bureau of Labor Statistics, Consumer Price Index. —Not available

	Percent Change 1982	Percent Change 1981
Food	+ 4.0	+ 7.9
Food Away From Home	+ 5.3	+ 9.0
Food at Home	+ 3.4	+ 7.3
Food and Beverages	+ 4.1	+ 7.8
Cereals & Bakery	+ 4.5	+ 10.0
Bread, white	+ 3.9	+ 8.4
Other bread	+ 4.0	+ 8.8
Cookies	+ 5.6	+ 12.0
Cakes, cupcakes	+ 4.7	+ 11.1
Flour, prepared mixes	+ 1.5	+ 6.1
Fresh Beef	—	—
Sirloin steak	+ 1.0	+ 2.2
Hamburger	− 0.5	− 1.9
Chuck roast	+ 0.7	+ 1.3
Pork	+ 12.9	+ 9.3
Chops	+ 10.4	+ 9.8
Bacon	+ 22.6	+ 13.3
Sausage	+ 11.4	+ 9.7
Canned ham	+ 8.0	+ 7.2
Other Meats	—	—
Frankfurters	+ 4.2	+ 4.4
Bologna, liverwurst, salami	+ 4.4	+ 5.5
Beef & veal	+ 1.4	+ 0.9
Poultry	− 1.8	+ 4.1
Fresh whole chicken	− 1.8	+ 2.2
Fresh & frozen chicken parts	− 1.8	+ 5.4
Other poultry	− 1.6	+ 5.3
Fish & Seafood	+ 3.6	+ 8.3
Canned fish	+ 0.3	+ 9.1
Fresh & frozen fish and seafood	+ 5.7	+ 7.8
Dairy Products	+ 1.4	+ 7.1
Fresh whole milk	+ 0.5	+ 5.7
Butter	+ 2.3	+ 7.7
Eggs	− 2.8	+ 8.3
Cheese	+ 2.6	+ 8.3
Ice cream & related products	+ 2.1	+ 10.9
Other dairy products	+ 2.9	+ 7.8
Fresh Fruits & Vegetables	+ 5.5	+ 12.0
Apples	+ 17.1	− 8.4
Bananas	− 1.6	+ 6.7
Oranges	+ 28.2	+ 12.1
Potatoes	− 15.3	+ 35.2
Lettuce	+ 19.3	+ 8.5
Tomatoes	− 1.2	+ 15.7
Processed Fruits	+ 5.4	+ 11.6
Frozen fruit & fruit juices	+ 3.9	+ 17.5
Other fruit juices	+ 5.3	+ 11.8
Canned & dried fruits	+ 6.7	+ 7.1
Processed Vegetables	+ 5.3	+ 12.3
Frozen vegetables	+ 10.3	+ 12.6
Cut corn & canned beans except lima	+ 5.5	+ 12.6
Other canned & dried vegetables	+ 2.7	+ 11.8
Sugar & Sweets	− 0.2	+ 7.9
Candy & chewing gum	+ 3.2	+ 11.9
Sugar & artificial sweeteners	− 9.2	− 0.4
Other sweets	+ 4.9	+ 12.9
Fats & Oils	− 2.8	+ 10.7
Margarine	+ 0.8	+ 2.6
Other fats, oils & salad dressings	− 0.4	+ 3.3
Non-dairy substitutes & peanut butter	− 11.3	+ 41.3
Beverages	+ 2.8	+ 4.2
Cola drinks except diet cola	+ 2.9	+ 10.3
Carbonated drinks including diet cola	+ 2.2	+ 9.6
Other non-carbonated drinks	+ 3.7	+ 9.6
Roasted coffee	+ 2.9	− 17.1
Freeze-dried instant coffee	+ 1.9	− 10.3
Alcoholic Beverages	+ 4.5	+ 6.7
Beer & ale	+ 4.7	+ 7.2
Whiskey	+ 3.9	+ 5.6
Wine	+ 4.3	+ 7.5
Other Prepared Foods	+ 5.2	+ 10.3
Canned, packaged soup	+ 3.5	+ 7.9
Frozen prepared foods	+ 3.4	+ 8.3
Snacks	+ 3.9	+ 14.9
Seasonings, olives, pickles, relish	+ 8.2	+ 11.2
HOUSEKEEPING SUPPLIES		
Soaps & detergents	+ 6.3	+ 10.6
Other laundry, cleaning products	+ 7.9	+ 9.7
Paper towels, napkins, tissues	+ 5.4	+ 7.9
TOBACCO PRODUCTS		
Cigarettes	+ 11.7	+ 7.9
Other tobacco products & accessories	+ 7.2	+ 9.3
HEALTH & BEAUTY AIDS		
Prescriptions	+ 11.7	+ 11.4
Hair products	+ 8.1	+ 10.2
Dental & shaving products	+ 9.7	+ 12.0
Cosmetic, bath & nail products, manicure & eye makeup implements	+ 8.4	+ 8.5
Other toilet goods	+ 7.1	+ 11.2
GENERAL MERCHANDISE		
Newspapers	+ 8.0	+ 10.2
Stationery & supplies	+ 6.8	+ 7.6
Magazines, books	+ 11.9	+ 10.9
Photo supplies	+ 3.4	+ 4.1
Motor oil, coolant & other products	− 5.1	+ 11.3

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TOTAL        23.33
TAX-1         0.21
TOTAL        23.33
CASH TND     30.00
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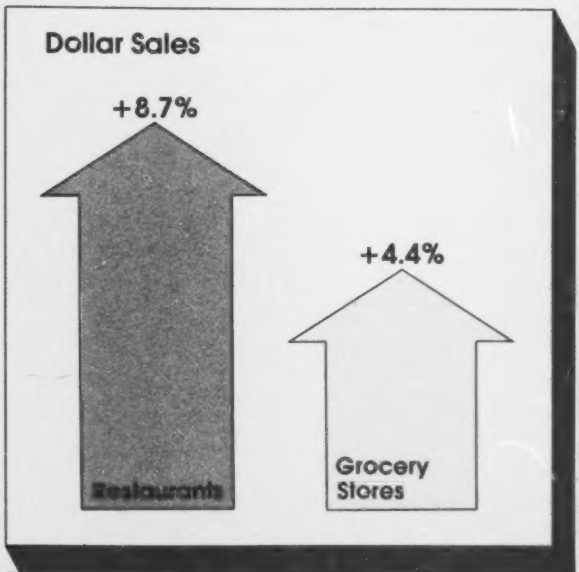
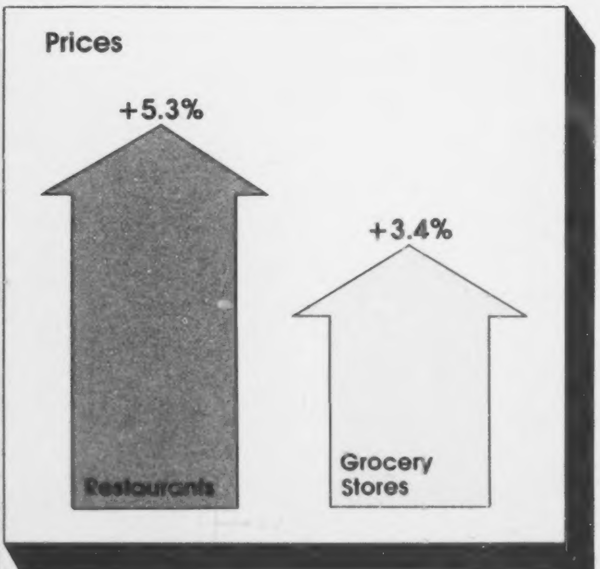
SEPTEMBER 1983

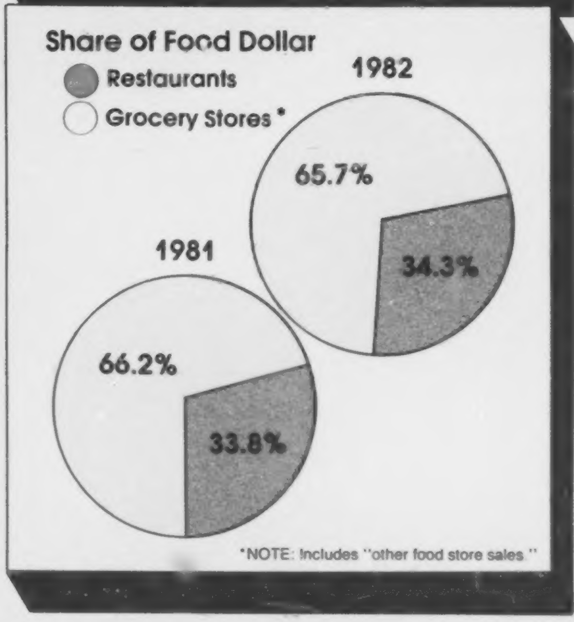
A GROWING APPETITE FOR EATING OUT (1982 vs. 1981)

Even in an all-out recession year, the food-away-from-home sector audaciously increased its share of the food dollar. Despite a 5.3 percent increase in prices (56 percent higher than that for food at home), tonnage rose 3.4 percent, for a healthy 8.7 percent increase in dollar sales.

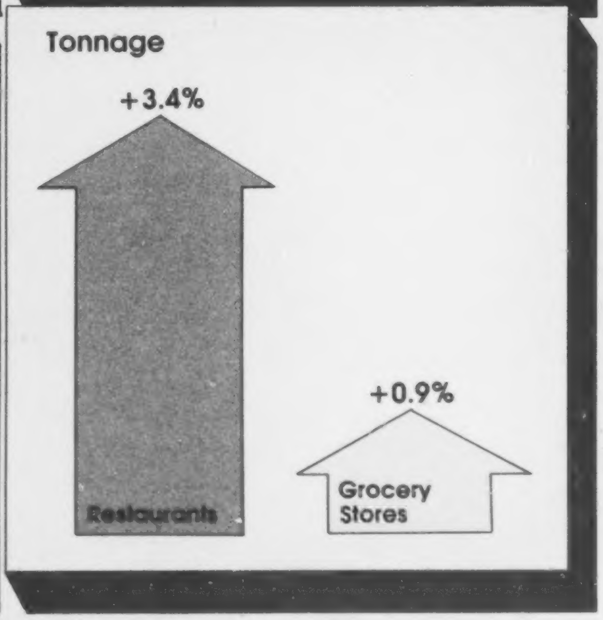
The bite should be even bigger in 1983 and 1984 as disposable income increases and a growing work force eats out more. Supermarkets aren't conceding any ground to the fast-food pitstops, however. Aggressively merchandised delis and bakeries are emblematic of the supers' determination to provide the fixings for an eat out-type of meal at home. And some operators have found that, given optimum circumstances, sit-down eating facilities can be made to work in a supermarket.







*NOTE: Includes "other food store sales."



GROCERY STORE SALES OUTPACE MOST RIVALS

	1982 SALES (MILLION)	PERCENT OF TOTAL	CHANGE VS. 1981
ALL RETAIL STORES	$1,070,227	100.0%	+ 2.4%
Specialty food stores	22,159	2.1	+30.1
Eating and drinking places	103,400	9.7	+ 8.8
Liquor stores	17,571	1.6	+ 5.0
GROCERY STORES	230,641	21.6	+ 4.4
General merchandise group	131,523	12.2	+ 3.9
Apparel group	49,205	4.6	+ 3.0
Drug and proprietary stores	34,695	3.2	+ 1.4
Motor vehicle dealers	168,752	15.8	+ 1.1
Gasoline service stations	97,935	9.2	− 5.0
Furnishings, appliances	40,586	3.8	−13.8
Building supply, hardware stores	42,551	3.9	−20.5
All other retail stores	131,229	12.3	+10.3

Grocery stores account for the largest chunk (21.6 percent) of the trillion dollar retailing sector. Their 4.4 percent increase in sales provided a healthy contrast to stores whose fortunes ride the prosperity roller coaster in tandem with the economy. The furnishings, appliances sector and the building supply, hardware stores sector suffered sales decreases as housing starts floundered. Consumers seemed content to eat, drink and be merry as specialty food stores and eateries prospered.

SUMMARY OF 1982 SALES OF FOOD STORE PRODUCTS

(add 000 to all dollar figures)

PRODUCTS	1982					1981					Percentage Change in dollars				Grocery Tonnage
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]	1982 vs. 1981
PERISHABLES	**$176.642.470**	**$117,141,350**	**66.64**	**50.80**	**66**	**$170,719,430**	**$112.560.890**	**66.72**	**50.93**	**66**	**3.5**	**4.2**	**8.6**	**9.8**	—
Baked Goods	23,887,580	14,224,730	8.09	6.17	60	23,192,180	13,765,490	8.16	6.23	59	2.9	3.3	9.2	9.8	− 1.2
Dairy	33,264,240	17,298,470	9.84	7.50	52	32,905,930	16,899,840	10.02	7.65	51	1.1	2.4	8.3	10.7	+ 0.1
Frozen Foods	15,043,570	10,840,670	6.17	4.70	72	13,984,150	10,129,410	6.00	4.58	72	7.6	7.0	8.0	9.2	+ 0.8
Fresh Meat, Fish, Poultry	72,201,320	50,495,490	28.73	21.89	70	70,094,990	48,855,900	29.00	22.10	70	3.0	3.4	7.4	9.2	− 0.6
Produce	32,275,770	24,281,990	13.81	10.53	75	30,542,180	22,910,650	13.58	10.37	75	5.7	6.0	9.6	10.7	+ 0.5
DRY GROCERY (FOOD)	**$ 97.814.510**	**$ 58.638.350**	**33.36**	**25.42**	**60**	**$ 94,347,510**	**$ 56,149,240**	**33.28**	**25.40**	**60**	**3.7**	**4.4**	**6.5**	**6.7**	—
Baking Needs	103,200	94,030	.05	.04	91	93,160	84,200	.05	.04	90	10.8	11.7	10.7	10.5	+ 4.8
Beverages, Alcoholic	32,431,830	11,849,720	6.74	5.14	37	31,463,450	11,348,040	6.73	5.13	36	3.1	4.4	8.2	9.6	− 0.1
Beverages, Prepared	8,101,760	6,308,850	3.59	2.74	78	7,877,220	6,132,130	3.63	2.77	78	2.9	2.9	−13.3	−11.6	+ 0.1
Beverages, Soft Drinks	10,770,650	6,315,230	3.59	2.74	59	10,473,250	6,125,120	3.63	2.77	58	2.8	3.1	15.6	15.8	+ 0.3
Candy & Chewing Gum	7,809,640	2,618,620	1.49	1.14	34	7,430,300	2,482,820	1.47	1.12	33	5.1	5.5	8.4	8.5	+ 2.2
Canned Foods	15,685,920	13,014,300	7.40	5.64	83	15,248,280	12,581,390	7.46	5.69	83	2.9	3.4	4.6	4.6	− 1.4
Cereals, Flour, Macaroni	7,360,300	6,541,920	3.72	2.84	89	6,885,980	6,094,800	3.61	2.76	89	6.9	7.3	11.0	12.1	+ 3.0
Condiments, Dressings, Spreads, Relishes	5,925,140	4,617,750	2.63	2.00	78	5,605,160	4,347,780	2.58	1.97	78	5.7	6.2	11.4	11.8	− 1.8
Desserts	488,280	427,670	.24	.19	88	483,130	422,800	.25	.19	88	1.1	1.2	8.3	8.5	− 3.5
Dried Foods	4,014,880	2,618,980	1.49	1.14	65	3,799,690	2,497,200	1.48	1.13	66	5.7	4.9	8.7	9.3	− 0.8
Fats & Shortenings	1,746,480	1,379,320	.78	.60	79	1,710,620	1,341,460	.80	.61	78	2.1	2.8	2.8	3.5	+ 1.0
Jams, Jellies, Preserves	1,219,140	1,007,280	.57	.44	83	1,143,760	943,450	.56	.43	82	6.6	6.8	7.7	8.1	+ 1.8
Sweeteners, Flavors	2,501,300	2,038,120	1.16	.88	81	2,654,430	2,167,730	1.28	.98	82	−5.8	−6.0	−16.6	−17.0	+ 2.9
All Other Dry Groceries	578,330	533,160	.30	.23	92	198,580	183,070	.11	.08	92	—	—	—	—	—
Duplication (subtract)	−863,460	−726,600	−.41	−.32	—	−719,500	−602,750	−.36	−.27	—	—	—	—	—	—
Total Foods	**$274,456,980**	**$175,779,700**	**100.00**	**76.21**	**64**	**$265.066.940**	**$168.710.130**	**100.00**	**76.33**	**64**	**3.5**	**4.2**	**7.9**	**9.0**	**+ 0.8**

(add 000 to all dollar figures)

PRODUCTS	1982					1981					Percentage Change in dollars				Grocery Tonnage
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]	1982 vs. 1981
DRY GROCERY (NON-FOOD)	**$ 46,076,720**	**$ 30.562.430**	**55.71**	**13.25**	**66**	**$ 43,155,420**	**$ 26,854,410**	**55.16**	**13.06**	**67**	**7.6**	**5.9**	**11.0**	**11.8**	
Household Supplies	19,986,010	16,292,060	29.70	7.06	82	18,664,210	15,123,600	26.91	6.84	81	7.1	7.7	9.2	9.6	+ 1.3
Pet Foods	4,656,430	4,291,970	7.82	1.86	92	4,429,720	4,059,780	7.76	1.83	92	5.1	5.7	10.7	11.1	+ 0.4
Tobacco Products	19,883,050	8,588,490	15.65	3.72	43	18,035,040	7,758,350	14.83	3.51	43	10.2	10.7	8.7	10.7	− 0.4
All Other Groceries, n.c.e.	1,551,230	1,389,910	2.53	.60	90	2,026,450	1,912,680	3.65	.83	94	—	—	—	—	—
GENERAL MERCHANDISE/HBA	**nd**	**$ 24.298.870**	**44.29**	**10.54**	**nd**	**nd**	**$ 23.456.460**	**44.84**	**10.61**	**nd**			—	**8.6**	—
Health & Beauty Aids (Non-Rx)	24,673,940	9,443,020	17.21	4.09	38	23,671,800	9,163,320	17.52	4.15	39	4.2	3.1	11.8	12.2	− 3.6
Prescriptions	15,875,720	1,257,320	2.29	.55	8	14,149,480	1,115,630	2.13	.50	8	11.8	12.4	11.8	12.4	+ 0.9
Flashlights & Batteries	2,582,450	372,680	.68	.16	14	2,336,900	307,340	.59	.13	13	10.5	21.3	16.0	18.1	+15.4
Greeting Cards	2,674,820	267,240	.49	.12	10	2,396,790	228,020	.44	.10	10	11.6	17.2	11.3	19.4	+ 9.7
Hosiery	4,371,290	643,580	1.18	.28	15	4,132,510	623,030	1.19	.28	15	5.8	3.3	10.8	9.8	− 3.4
Household Glassware	984,540	137,150	.25	.06	14	936,700	131,570	.25	.06	14	5.1	4.2	12.2	10.8	− 0.1
Housewares, Other	nd	2,904,760	5.29	1.26	nd	nd	2,798,420	5.35	1.27	nd	nd	3.8	—	14.9	− 1.4
Magazines & Newspapers	6,532,610	1,011,030	1.84	.44	15	6,187,590	979,320	1.87	.44	16	5.6	3.2	8.8	9.2	− 6.0
Motor Oil and Additives	1,267,540	268,590	.49	.12	21	1,263,080	267,170	.51	.12	21	0.4	0.5	12.3	18.9	+ 4.4
Pet Accessories	1,691,060	572,730	1.04	.25	34	1,647,580	537,240	1.03	.24	33	2.6	6.6	8.2	9.7	+ 1.2
Phonograph Records	1,872,140	162,950	.30	.07	9	1,819,380	157,290	.30	.07	9	2.9	3.6	9.1	10.8	− 2.0
Photo Products	4,811,350	713,970	1.30	.31	15	4,486,750	614,480	1.17	.28	13	7.2	16.2	4.3	8.4	+12.4
Stationery/Writing Implements	1,317,290	202,470	.37	.09	15	1,232,030	193,580	.36	.09	15	6.9	4.6	10.6	4.7	− 2.1
Toys	8,436,830	187,240	.34	.08	2	7,361,980	174,660	.33	.08	2	14.6	7.2	19.7	9.8	+ 1.4
Other General Merchandise	nd	6,154,140	11.23	2.67	nd	nd	6,165,390	11.79	2.79	nd	—	—	—	—	—
Total Non-foods	**nd**	**$ 54,861,300**	**100.00**	**23.79**	**nd**	**nd**	**$ 52,310,870**	**100.00**	**23.67**	**nd**	—	**4.9**	—	**10.8**	—
GRAND TOTAL	**nd**	**$230,641,000**	**nd**	**100.00**	**nd**	**nd**	**$221,021,000**	**nd**	**100.00**	**nd**	—	**4.4**	—	**9.3**	—

WHAT THE NUMBERS MEAN

(add 000 to all dollar figures)

PRODUCTS	1982					1981					6 7 Percentage Change in Dollars				8 Grocery Tonnage
	1 Value[1] of Total Domestic Consumption	2 Amount Spent in Grocery Stores[2]	3 % of Food Sales	4 % of Total Store	5 % Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]	1982 vs. 1981
PERISHABLES	**$176,542,470**	**$117,141,350**	**66.64**	**50.80**	**66**	**$170,719,430**	**$112,560,890**	**66.72**	**50.93**	**66**	**3.5**	**4.2**	**8.6**	**9.8**	—
Baked Goods	23,887,580	14,224,730	8.09	6.17	60	23,192,180	13,765,490	8.16	6.23	59	2.9	3.3	9.2	9.8	− 1.2
Dairy	33,264,240	17,298,470	9.84	7.50	52	32,905,930	16,899,840	10.02	7.65	51	1.1	2.4	8.3	10.7	+ 0.1
Frozen Foods	15,043,570	10,840,670	6.17	[illegible]	72	13,984,150	10,129,410	6.00	4.58	72	7.6	7.0	8.0	9.2	+ 0.8
Fresh Meat, Fish, Poultry	72,201,320	50,495,490	28.73	21.89	70	70,094,990	48,855,900	29.00	22.10	70	3.0	3.4	7.4	9.2	− 0.6
Produce	32,275,770	24,281,990	13.81	10.53	75	30,542,180	22,910,650	13.58	10.37	75	5.7	6.0	9.6	10.7	+ 0.5

1 Includes farm consumption of farm goods. Value is computed as if sold at grocery store prices.

2 Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries.

3 Percent of total food (or total non-food) sales.

4 Percent of total store volume.

5 Share of total market (1) accounted for by grocery stores (2).

6 Change in total consumption.

7 Change in sales in grocery stores.

8 Change in sales in grocery stores when adjusted to delete effect of price changes.

*As reported by U.S. Dept. of Commerce. nd—No data available.

—Not available.

WHAT CONSUMERS SPEND FOR PERISHABLE PRODUCTS

(add 000 to all dollar figures)

PRODUCTS	1982					1981					Percentage Change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82		From '80 to '81	
											Total[3]	Gro.[3]	Total[3]	Gro.[3]
PERISHABLES														
Baked Goods[3C]	**$ 23,857,580**	**$ 14,224,730**	**8.09**	**6.17**	**60**	**$ 23,192,180**	**$ 13,765,490**	**8.16**	**6.23**	**59**	**2.9**	**3.3**	**9.2**	**9.8**
Bread & Rolls[3A]	$ 11,558,500	$ 6,975,760	3.98	3.03	60	$ 11,190,960	$ 6,748,750	4.00	3.05	60	3.3	3.5	6.8	7.7
White Bread	7,414,540	5,412,290	3.08	2.35	73	7,191,600	5,244,470	3.11	2.37	73	3.1	3.2	5.4	5.6
Other Bread	2,619,220	1,133,570	.65	.48	43	2,523,330	1,088,920	.65	.49	43	3.8	4.1	15.8	16.2
Rolls, Bread Type[3B]	1,524,740	429,900	.24	.19	28	1,476,030	415,360	.25	.19	28	3.3	3.5	13.7	14.9
Crackers, Cookies, Other Tidbits	$ 7,968,490	$ 6,119,350	3.48	2.65	77	$ 7,738,570	$ 5,905,770	3.50	2.67	76	3.0	3.6	10.4	12.6
Corn Chips	833,870	611,080	.35	.26	73	791,900	575,400	.34	.26	73	5.3	6.2	19.8	33.1
Crackers, Biscuits, Cookies	3,991,060	3,614,450	2.06	1.57	91	3,848,660	3,472,100	2.06	1.57	90	3.7	4.1	8.3	8.6
Packaged Unpopped Popcorn	188,060	164,970	.09	.07	88	182,050	159,240	.09	.07	87	3.3	3.6	12.1	12.3
Potato Chips	2,622,070	1,431,650	.81	.62	55	2,590,980	1,411,880	.84	.64	54	1.2	1.4	10.2	14.5
Pretzels	333,430	297,200	.17	.13	89	324,980	287,150	.17	.13	88	2.6	3.5	15.2	19.1
Sweet Goods	$ 4,330,590	$ 1,129,620	.64	.49	26	$ 4,262,650	$ 1,110,970	.66	.50	26	1.6	2.0	8.4	8.3
Cakes & Other Pastry	2,681,870	641,290	.36	.28	24	2,632,790	628,470	.37	.28	24	1.9	2.0	9.4	9.4
"Toaster" Pastries	72,770	67,680	.04	.03	93	72,340	67,210	.04	.03	93	0.6	0.7	1.2	1.3
Other Cakes & Pastry	2,609,100	573,610	.33	.25	22	2,560,450	561,260	.33	.25	22	1.9	2.2	9.6	10.5
Doughnuts	1,030,550	354,140	.20	.15	34	1,024,400	351,330	.21	.16	34	0.6	0.8	6.4	6.8
Pies	618,180	134,190	.08	.06	22	605,460	131,170	.08	.06	22	2.1	2.3	7.5	7.7
Dairy Section	**$ 33,264,240**	**$ 17,298,470**	**9.84**	**7.50**	**52**	**$ 32,905,930**	**$ 16,899,840**	**10.02**	**7.65**	**51**	**1.1**	**2.4**	**8.3**	**10.7**
Cheese	$ 6,067,970	$ 5,138,660	2.92	2.23	85	5,748,820	4,854,000	2.88	2.20	84	5.6	5.9	8.8	11.1
Cottage & Pot Cheese	660,910	467,090	.27	.20	71	656,320	463,380	.27	.21	71	0.7	0.8	2.1	2.4
Natural Cheese[4]	2,900,170	2,229,200	1.27	.97	77	2,668,050	2,037,660	1.21	.92	76	8.7	9.4	11.9	14.6
Processed Cheese[5]	2,506,880	2,442,370	1.39	1.06	97	2,424,450	2,352,960	1.39	1.06	97	3.4	3.8	7.5	2.2
Eggs (Shell)	$ 3,628,870	$ 1,148,420	.65	.50	32	$ 3,733,400	$ 1,179,080	.70	.53	32	-2.8	-2.6	7.7	8.2
Milk, Butter, Cream	$ 19,103,420	$ 7,170,020	4.08	3.11	38	$ 19,160,970	$ 7,209,490	4.27	3.26	38	-0.3	-0.6	8.1	11.4
Butter	1,835,990	912,430	.52	.40	50	1,784,250	885,850	.53	.40	50	2.9	3.0	4.6	4.8
Fresh Cream	430,140	240,160	.14	.10	56	435,360	243,320	.14	.11	56	-1.2	-1.3	4.6	4.8
Fresh Milk	16,778,420	5,963,970	3.39	2.59	36	16,886,140	6,030,300	3.57	2.73	36	-0.6	-1.1	8.6	12.8
For Home Consumption	10,468,720	5,963,970	3.39	2.59	36	10,563,790	6,030,300	3.57	2.73	36	-0.9	-1.1	9.9	12.8
Other	6,309,710					6,322,350					-0.2		6.5	
Ready Whipped Cream[6]	58,870	53,470	.03	.02	91	55,220	50,020	.03	.02	91	6.6	6.9	6.4	7.1
Yogurt	$ 1,288,370	$ 1,053,980	.60	.46	82	$ 1,178,750	$ 959,910	.57	.43	81	9.3	9.8	10.2	10.6
Margarine	$ 1,890,000	$ 1,559,440	.89	.68	82	$ 1,832,360	$ 1,505,250	.89	.68	82	3.2	3.6	4.4	4.8
Fruit Juices, Drinks[6A]	$ 1,284,620	$ 1,227,950	.70	.53	96	$ 1,251,630	$ 1,192,110	.71	.54	95	2.6	3.0	14.7	15.2
Orange Juice	1,054,270	1,014,640	.58	.44	96	1,030,570	987,950	.59	.45	96	2.3	2.7	16.4	16.8
Orange Flavored Drinks	81,170	75,830	.04	.03	93	74,880	69,700	.04	.03	93	8.4	8.8	1.6	1.8
Grapefruit Juice	111,990	103,150	.06	.04	92	113,010	103,970	.06	.05	92	-0.9	-0.8	—	—
Other Fruit Drinks, Juices	37,180	34,330	.02	.01	92	33,170	30,490	.02	.01	92	12.1	12.6	1.8	2.1
Frozen Foods	**$ 15,043,570**	**$ 10,840,670**	**6.17**	**4.70**	**72**	**$ 13,984,150**	**$ 10,129,410**	**6.00**	**4.58**	**72**	**7.6**	**7.0**	**8.0**	**9.2**
Frozen Baked Goods[6B]	$ 770,570	$ 695,160	.40	.30	90	$ 761,410	$ 684,670	.41	.31	90	1.2	1.5	5.3	5.6
Cakes, Pastries	467,800	429,610	.24	.19	92	461,340	422,010	.25	.19	91	1.4	1.8	5.3	5.7
Pies	302,770	265,550	.15	.12	88	300,070	262,660	.16	.12	88	0.9	1.1	5.2	5.4
Ice Cream[7]	$ 3,994,830	$ 1,350,160	.77	.59	34	$ 3,597,190	$ 1,218,560	.72	.55	34	11.1	10.8	11.2	12.3
Bulk	618,540	—	—	—	—	564,360	—	—	—	—	9.6	—	10.6	—
Packaged	2,242,460	1,350,160	.77	.59	40	2,031,210	1,218,560	.72	.55	40	10.4	10.8	9.6	12.3
Specialties	1,133,830					1,001,620					13.2		14.8	
Frozen Toppings[7A]	$ 170,940	$ 155,050	.09	.07	91	$ 156,540	$ 141,340	.08	.06	90	9.2	9.7	6.8	7.6
Frozen Meat, Fish, Poultry	$ 2,791,270	$ 2,239,600	1.27	.97	80	$ 2,679,650	$ 2,152,040	1.23	.97	80	4.2	4.1	5.4	5.6
Fish & Other Seafood	760,330	555,070	.32	.24	73	710,900	516,940	.31	.23	73	7.0	7.4	1.0	1.2
Fish Sticks	107,170	81,970	.05	.04	76	101,870	77,620	.05	.04	76	5.2	5.6	3.3	3.7
Frozen Shrimp	185,890	143,490	.08	.06	77	166,120	127,770	.08	.06	77	11.9	12.3	12.1	12.5
Other Frozen Fish & Seafood	467,270	329,620	.19	.14	71	442,910	311,550	.18	.14	70	5.5	5.8	-3.2	-3.5
Meat	525,750	251,850	.14	.11	48	497,400	237,370	.14	.11	48	5.7	6.1	9.5	9.8
Poultry	1,505,190	1,432,670	.82	.62	95	1,471,350	1,397,730	.83	.63	95	2.3	2.5	6.4	6.6
Frozen Prepared Foods (Precooked)[8]	$ 3,626,850	$ 3,402,420	1.94	1.48	94	$ 3,339,920	$ 3,128,950	1.85	1.42	94	8.6	8.7	8.1	8.2
Dinners	1,096,840	1,043,910	.59	.45	95	996,220	945,570	.56	.43	95	10.1	10.4	4.3	4.7
Meat Pies	215,450	195,720	.11	.08	91	197,120	178,740	.11	.08	91	9.3	9.5	3.2	3.4
Poultry Pies	198,680	178,160	.10	.08	90	181,110	162,110	.10	.07	90	9.7	9.9	4.2	4.3
Pizza	1,035,580	971,770	.55	.42	94	1,023,300	959,300	.57	.43	94	1.2	1.3	7.9	8.0
Nationality Foods	418,000	391,060	.22	.17	93	343,160	319,490	.19	.14	93	22.1	22.4	18.7	18.5
All Other[8]	661,310	621,810	.35	.27	94	599,010	563,740	.33	.26	94	10.4	10.3	12.4	12.2

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[1] All consumption—whether at farm level or by institutions, restaurants, government—is given here in terms of retail store valuation (except as otherwise noted). Excluded are those portions of a commodity which are used commercially in making some other products.

[2] Refers to grocery stores and includes supermarkets. Excluded from this column (but included in the first column) are sales by such specialty food stores as delicatessens, dairy stores, bakeries, meat markets, fish markets, confectionery stores, fruit and vegetable markets, egg dealers.

[3] Decreases are shown by minus signs. Other figures represent increases.

[3A] Includes frozen bread and rolls, but excludes cakes, pastries, pies.

[3B] Includes bagels, onion rolls. [3C] Excludes "ready to eat" popcorn.

[4] Includes cheddar, colby, brick, cream, foreign types.

[5] Includes cheese food and cheese spreads.

[6] Aerosol packed consumer sizes. Butterfat and non-butterfat bases. Excludes powders.

[6A] In carton, bottle or plastic. [6B] Excludes frozen bread and rolls.

[7] Grocery store sales are mainly packaged ice cream and specialties and a negligible amount of bulk ice cream.

[7A] Includes "chilled" products.

[8] Includes frozen soups. —Not available.

WHAT CONSUMERS SPEND FOR PERISHABLE PRODUCTS—continued

(add 000 to all dollar figures)

PRODUCTS	1982 Value[1] of Total Domestic Consumption	1982 Amount Spent in Grocery Stores[2]	1982 % of Food Sales	1982 % of Total Store	1982 % Gro.[3] to Total	1981 Value[1] of Total Domestic Consumption	1981 Amount Spent in Grocery Stores[2]	1981 % of Food Sales	1981 % of Total Store	1981 % Gro.[3] to Total	Percentage Change From '81 to '82 Total[2]	Percentage Change From '81 to '82 Gro.[3]	Percentage Change From '80 to '81 Total[2]	Percentage Change From '80 to '81 Gro.[3]
Frozen Vegetables, Fruits, Juices, Drinks[8A]	$ 3,689,110	$ 2,998,290	1.71	1.30	81	$ 3,449,440	$ 2,803,850	1.66	1.27	81	7.0	6.9	12.5	13.0
Fruits	145,040	133,790	.08	.06	92	133,450	122,760	.07	.06	92	8.7	9.0	5.9	6.1
Strawberries	56,010	52,450	.03	.02	94	50,410	47,040	.03	.02	93	11.1	11.5	4.5	4.9
Cherries	17,970	16,230	.01	.01	90	16,730	15,080	.01	.01	90	7.4	7.6	6.1	6.3
Apples & Applesauce	13,030	11,980	.01	.01	92	12,820	11,780	.01	.01	92	1.6	1.7	1.5	1.6
All Other	58,040	53,130	.03	.02	92	53,490	48,880	.03	.02	91	8.5	8.7	8.3	8.5
Fruit Juices	1,498,500	1,359,530	.77	.59	91	1,452,490	1,311,670	.78	.59	90	3.2	3.7	13.9	14.5
Orange Juice Concentrates	1,384,730	1,254,560	.71	.54	91	1,341,790	1,209,800	.72	.55	90	3.2	3.7	14.4	15.1
Grapefruit Juice	23,210	20,400	.01	.01	88	23,950	21,100	.01	.01	88	-3.1	-3.3	12.9	13.2
Other Fruit Concentrates	90,570	84,570	.05	.04	93	86,750	80,770	.05	.04	93	4.4	4.7	6.6	6.8
Fruit Drinks	144,310	131,070	.07	.06	91	148,000	134,400	.08	.06	91	-2.5	-2.5	3.4	3.3
Synthetic Orange[9]	36,770	33,320	.02	.01	91	40,230	36,570	.02	.02	91	-8.6	-8.9	-5.5	-6.0
Regular Orange	13,350	11,980	.01	.01	90	14,100	12,660	.01	.01	90	-5.3	-5.4	-2.8	-3.0
Lemonade Bases	52,920	47,610	.03	.02	90	51,430	46,180	.03	.02	90	2.9	3.1	10.1	10.3
Other Fruit Drinks	41,270	38,170	.02	.02	92	42,240	38,990	.02	.02	92	-2.3	-2.1	6.9	7.2
Vegetables	1,901,260	1,373,890	.78	.60	72	1,715,500	1,235,000	.73	.56	72	10.8	11.3	12.6	13.3
Asparagus	55,490	38,200	.02	.02	69	54,560	37,520	.02	.02	69	1.7	1.8	-2.3	-2.2
Green Beans	87,400	62,800	.04	.03	72	82,690	58,580	.03	.03	71	5.7	7.2	11.8	13.9
Lima Beans	48,050	31,210	.02	.01	65	45,240	29,220	.02	.01	65	6.2	6.8	9.3	10.1
Broccoli	118,640	82,900	.05	.04	70	104,620	72,850	.04	.03	70	13.4	13.8	12.2	12.6
Cauliflower	37,200	26,060	.01	.01	70	35,260	24,630	.01	.01	70	5.5	5.8	1.3	1.7
Green Peas	131,880	91,720	.05	.04	70	109,720	75,990	.05	.03	69	20.2	20.7	15.9	16.4
Spinach	59,500	41,870	.02	.02	70	52,010	36,470	.02	.02	70	14.4	14.8	13.2	13.5
French Fried Potatoes	688,750	549,480	.31	.24	80	627,850	498,170	.30	.23	79	9.7	10.3	14.1	14.8
Other Potato Products	90,020	64,560	.04	.03	72	85,810	61,370	.04	.03	72	4.9	5.2	7.2	7.5
Corn	143,930	98,540	.06	.04	68	119,540	81,570	.05	.04	68	20.4	20.8	19.8	21.1
All Other	440,410	266,560	.18	.12	65	398,200	258,630	.15	.12	65	10.6	10.8	12.7	12.9
Fresh & Cured Meat, Fish, Poultry	**$ 72,201,320**	**$ 50,495,490**	**28.73**	**21.89**	**70**	**$ 70,094,990**	**$ 48,855,500**	**28.96**	**22.10**	**70**	**3.0**	**3.4**	**7.4**	**9.2**
Fresh Fish & Other Fresh Seafood	$ 2,305,650	$ 2,071,780	1.18	.90	90	$ 2,148,790	$ 1,936,240	1.15	.88	90	7.3	7.0	13.4	13.1
Fresh Meat	$ 43,206,870	$ 27,637,330	15.72	11.98	64	$ 42,053,530	$ 26,829,430	15.90	12.14	64	2.7	3.0	7.8	10.9
Beef	34,780,690	21,741,790	12.37	9.43	63	33,833,360	21,088,060	12.50	9.54	62	2.8	3.1	8.6	12.4
Lamb	1,179,490	1,077,470	.61	.47	91	1,136,310	1,037,030	.61	.47	91	3.8	3.9	15.3	15.4
Pork	6,220,340	4,184,100	2.38	1.81	67	6,086,440	4,090,030	2.42	1.85	67	2.2	2.3	3.6	4.1
Veal	1,026,350	633,970	.36	.27	62	997,420	614,310	.36	.28	62	2.9	3.2	1.6	1.8
Poultry	$ 8,361,790	$ 5,729,240	3.26	2.48	69	$ 8,189,800	$ 5,578,620	3.31	2.52	68	2.1	2.7	7.5	8.3
Provisions	$ 18,327,010	$ 15,057,140	8.57	6.53	82	$ 17,702,870	$ 14,511,210	8.60	6.57	82	3.5	3.8	5.7	6.0
Packaged Bacon	2,716,740	2,311,740	1.32	1.00	85	2,555,730	2,168,610	1.29	.98	85	6.3	6.6	7.9	8.4
Cured Ham & Picnics	2,940,990	2,404,780	1.37	1.04	82	2,897,530	2,362,260	1.40	1.07	82	1.5	1.8	1.3	1.7
Frankfurters	1,960,890	1,597,460	.91	.69	81	1,898,250	1,544,930	.92	.70	81	3.3	3.4	4.4	4.5
Sausages	1,405,970	1,143,230	.65	.50	81	1,344,140	1,090,870	.65	.49	81	4.6	4.8	7.2	7.6
Other Sausage Products	3,599,300	2,939,250	1.67	1.27	82	3,480,950	2,837,110	1.68	1.28	82	3.4	3.6	8.1	8.3
Cold Cuts & Other Provisions	5,703,110	4,660,680	2.65	2.02	82	5,526,270	4,507,430	2.67	2.04	82	3.2	3.4	5.6	6.1
Produce	**$ 32,275,770**	**$ 24,281,990**	**13.81**	**10.53**	**75**	**$ 30,542,180**	**$ 22,910,650**	**13.58**	**10.37**	**75**	**5.7**	**6.0**	**9.6**	**10.7**
Potatoes	2,952,130	1,968,980	1.12	.85	67	2,852,300	1,898,730	1.13	.86	67	3.5	3.7	6.9	7.2
Lettuce	2,301,270	1,627,400	.93	.71	71	2,154,750	1,516,680	.90	.69	70	6.8	7.3	9.8	10.2
Tomatoes	2,212,690	1,429,360	.81	.62	65	2,062,150	1,329,640	.79	.60	64	7.3	7.5	6.3	6.5
Onions	983,650	618,880	.35	.27	63	914,170	574,100	.34	.26	63	7.6	7.8	14.9	15.2
Celery	560,780	391,970	.22	.17	70	518,760	360,930	.21	.16	70	8.1	8.6	9.8	10.4
Corn	470,610	285,300	.16	.12	61	447,350	270,680	.16	.12	61	5.2	5.4	5.7	5.9
Other Fresh Vegetables	11,947,510	8,154,020	4.64	3.54	68	11,356,950	7,714,300	4.57	3.49	68	5.2	5.7	9.6	12.3
Bananas	1,701,160	1,531,700	.87	.66	90	1,592,850	1,439,570	.85	.65	90	6.8	6.4	11.9	11.2
Citrus Fruits	2,042,760	1,878,210	1.07	.81	92	2,010,590	1,845,000	1.09	.83	92	1.6	1.8	1.4	1.6
Other Fresh Fruits	7,103,200	6,396,170	3.64	2.77	90	6,632,310	5,961,020	3.53	2.70	90	7.1	7.3	13.4	13.6
Total Perishables	**$176,642,470**	**$117,141,350**	**66.64**	**50.80**	**66**	**$170,719,430**	**$112,560,890**	**66.72**	**50.93**	**66**	**3.5**	**4.2**	**8.6**	**9.8**

WHAT CONSUMERS SPEND FOR DRY GROCERIES

DRY GROCERIES	1982 Value of Total Domestic Consumption	1982 Amount Spent in Grocery Stores	1982 % of Food Sales	1982 % of Total Store	1982 % Gro. to Total	1981 Value of Total Domestic Consumption	1981 Amount Spent in Grocery Stores	1981 % of Food Sales	1981 % of Total Store	1981 % Gro. to Total	From '81 to '82 Total	From '81 to '82 Gro.	From '80 to '81 Total	From '80 to '81 Gro.
Baking Needs	**$ 103,200**	**$ 94,030**	**.05**	**.04**	**91**	**$ 93,160**	**$ 84,200**	**.05**	**.04**	**90**	**10.8**	**11.7**	**10.7**	**10.5**
Baking Chocolate	19,810	18,430	.01	.01	93	18,720	17,370	.01	.01	93	5.8	6.1	6.5	6.8
Baking Powder	20,570	18,300	.01	.01	89	19,550	17,440	.01	.01	89	5.2	5.4	6.3	6.6
Baking Soda	13,710	11,370	.01	.00	83	12,870	10,640	.01	.00	83	6.5	6.9	7.2	7.6
Yeast[10]	49,120	45,840	.03	.02	93	42,020	38,750	.02	.02	92	16.9	18.3	14.8	15.1
Beverages	**$ 51,304,230**	**$ 24,473,800**	**13.92**	**10.61**	**48**	**$ 49,813,920**	**$ 23,605,290**	**13.99**	**10.68**	**47**	**3.0**	**3.7**	**5.9**	**5.0**
Alcoholic	$ 32,431,830	$ 11,849,720	6.74	5.14	37	$ 31,463,450	$ 11,348,040	6.73	5.13	36	3.1	4.4	8.2	9.6
Beer	16,753,960	10,466,310	5.95	4.54	62	16,006,180	10,006,030	5.93	4.53	63	4.7	4.6	8.9	9.3
Bottled, canned beer for home and other off-premises consumption	11,399,300	10,466,310	5.95	4.54	92	10,877,190	10,006,030	5.93	4.53	92	4.8	4.6	9.1	9.3
Draft beer, bottled, canned beer for on-premises consumption	5,354,670	—	—	—	—	5,128,990	—	—	—	—	4.4	—	8.6	—

8A Consumer size packages for home use.

9 Excludes powdered synthetic orange.

10 Consumer size packages. Active dry yeast. Excludes compressed.

11 Spending in all outlets includes restaurant and other on-premises.

* Less than .005%.

— Not available.

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1982 Value[1] of Total Domestic Consumption	1982 Amount Spent in Grocery Stores[2]	1982 % of Food Sales	1982 % of Total Store	1982 % Gro.[2] to Total	1981 Value[1] of Total Domestic Consumption	1981 Amount Spent in Grocery Stores[2]	1981 % of Food Sales	1981 % of Total Store	1981 % Gro.[2] to Total	Percentage Change From '81 to '82 Total[3]	Percentage Change From '81 to '82 Gro.[3]	Percentage Change From '80 to '81 Total[3]	Percentage Change From '80 to '81 Gro.[3]
Liquor	12,021,670	291,150	.17	.13	2	11,914,440	287,700	.17	.13	2	0.9	1.2	5.8	6.3
Wine	3,656,200	1,092,270	.62	.47	30	3,542,830	1,054,310	.62	.48	30	3.2	3.6	13.4	13.5
Prepared Beverages	$ 8,101,760	$ 6,308,850	3.59	2.74	78	$ 7,877,220	$ 6,132,130	3.63	2.77	78	2.9	2.9	-13.3	-11.6
Cocoa	318,870	280,730	.16	.12	88	302,340	265,660	.16	.12	88	5.5	5.7	—	—
Unsweetened Cocoa	35,650	25,970	.01	.01	73	33,890	24,640	.01	.01	73	5.2	5.4	4.2	4.5
Prepared Sweet Cocoa	283,220	254,760	.14	.11	90	268,450	241,020	.14	.11	90	5.5	5.7	7.3	7.7
Coffee	6,321,030	4,735,960	2.69	2.05	75	6,149,490	4,611,340	2.73	2.09	75	2.8	2.7	—	—
Regular Coffee	4,577,730	3,111,600	1.77	1.35	68	4,397,430	2,980,460	1.77	1.35	68	4.1	4.4	-20.4	-19.5
Instant Coffee	1,743,300	1,624,360	.92	.70	93	1,752,060	1,630,880	.97	.74	93	-0.5	-0.4	-12.2	-12.1
Prepared Food Drinks[12]	133,890	114,150	.06	.05	85	125,250	106,580	.06	.05	85	6.9	7.1	4.3	4.5
Tea	936,240	819,690	.47	.36	88	917,260	799,400	.47	.36	87	2.1	2.5	3.6	3.9
Instant Tea	149,770	136,750	.06	.06	91	156,340	142,450	.08	.06	91	-4.2	-4.0	-2.3	-2.1
Ice Tea Mixes	247,320	226,300	.13	.10	91	261,990	238,960	.14	.11	91	-5.6	-5.3	8.3	8.7
Bags and Loose Tea	418,740	374,360	.21	.16	89	397,660	354,840	.21	.16	89	5.3	5.5	3.1	3.4
Herb Tea	120,410	82,280	.05	.04	68	101,270	63,150	.04	.03	62	18.9	30.3	—	—
Breakfast Drinks	166,360	154,850	.09	.07	93	162,140	150,630	.09	.07	93	2.6	2.8	13.6	13.9
Coffee Creamers	225,380	203,480	.12	.09	90	220,740	198,520	.12	.09	90	2.1	2.5	3.8	4.6
Soft Drinks	$ 10,770,650	$ 6,315,230	3.59	2.74	59	$ 10,473,250	$ 6,125,120	3.63	2.77	58	2.8	3.1	15.6	15.8
Bottled Soft Drinks	8,688,280	4,358,740	2.48	1.89	50	8,451,300	4,230,230	2.51	1.91	50	2.8	3.0	15.8	16.2
Dietetic	633,480	498,760	.28	.22	79	623,500	489,940	.29	.22	79	1.6	1.8	15.2	15.4
Other	8,054,810	3,859,960	2.20	1.67	48	7,827,800	3,740,290	2.22	1.69	48	2.9	3.2	15.9	16.3
Canned Soft Drinks	1,427,430	1,342,230	.76	.58	94	1,391,980	1,306,410	.77	.59	94	2.6	2.7	14.9	15.1
Dietetic	525,510	477,950	.27	.21	91	511,200	464,030	.28	.21	91	2.8	3.0	15.5	15.7
Other	901,920	864,280	.49	.37	96	880,780	842,380	.50	.36	96	2.4	2.6	14.6	14.8
Powdered Soft Drinks[13A]	506,450	471,470	.27	.20	93	499,950	464,960	.28	.21	93	1.3	1.4	10.8	10.9
Bottled Water	148,480	142,790	.08	.06	96	130,020	123,520	.07	.06	95	14.2	15.6	27.4	28.9
Candy & Chewing Gum	$ 7,809,640	$ 2,618,620	1.49	1.14	34	$ 7,430,300	$ 2,482,820	1.47	1.12	33	5.1	5.5	8.4	8.5
Bar Candy	2,786,710	898,060	.51	.39	32	2,587,470	819,400	.49	.37	32	7.7	9.6	12.2	12.8
Boxed Candy	2,383,960	435,780	.25	.19	18	2,259,680	412,280	.24	.19	18	5.5	5.7	8.2	6.5
Bulk Candy	565,810	315,190	.18	.14	56	527,810	303,650	.18	.14	58	7.2	3.8	3.9	4.5
Chewing Gum	1,211,350	547,670	.31	.24	45	1,229,850	544,510	.32	.25	44	-1.5	0.6	7.7	11.4
Regular Chewing Gum	475,810	211,310	.12	.09	44	486,510	215,400	.13	.10	44	-2.2	-1.9	—	—
Sugarless Chewing Gum	362,900	161,460	.09	.07	44	357,180	158,140	.09	.07	44	1.6	2.1	—	—
Bubble Gum	372,640	174,900	.10	.08	47	386,160	170,970	.10	.08	44	-3.5	2.3	—	—
Other Candy	861,810	421,920	.24	.18	49	825,490	402,980	.24	.18	49	4.4	4.7	2.1	2.3
Canned Foods[13]	$ 15,685,920	$ 13,014,300	7.40	5.64	83	$ 15,248,280	$ 12,581,390	7.46	5.69	83	2.9	3.4	4.6	4.6
Baby Foods[13]	$ 1,549,720	$ 1,299,580	.74	.56	84	$ 1,379,020	$ 1,147,650	.68	.52	83	12.4	13.3	11.2	11.2
Desserts	61,490	50,780	.03	.02	83	61,670	50,880	.03	.02	83	-0.3	-0.2	3.6	5.4
Fruits	306,840	259,850	.15	.11	85	286,500	237,960	.14	.11	83	7.1	9.2	6.1	
Meat & Combinations	234,920	193,450	.11	.08	82	231,220	189,840	.11	.09	82	1.6	1.9	4.6	
Vegetables	83,020	69,000	.04	.03	83	80,130	66,220	.04	.03	83	3.6	4.2	3.9	
Infant Formulas	863,460	726,600	.41	.32	84	719,500	602,750	.36	.27	84	20.0	20.6	—	—
Hypoallergenic Formulas[13A]	193,060	163,250	.09	.07	85	157,090	132,510	.08	.06	84	22.9	23.2	20.2	24.2
Routine Infant Formulas	670,390	563,350	.32	.24	84	562,410	470,240	.28	.21	84	19.2	19.8	20.1	21.8
Canned Fish & Other Canned Seafood	$ 2,549,130	$ 1,790,380	1.02	.78	70	$ 2,612,500	$ 1,830,650	1.09	.83	70	-2.4	-2.2	8.4	6.4
Salmon	546,250	1,790,380	1.02	.78	70	595,690	1,830,650	1.09	.83	70	-8.3	-2.2	3.6	8.4
Sardines	85,610					88,170					-2.9		8.6	
Tuna	1,542,670					1,567,750					-1.6		10.2	
Other Canned Fish & Canned Seafood	374,600					360,890					3.8		9.7	
Canned Fruits	$ 1,736,660	$ 1,486,960	.85	.64	86	$ 1,713,150	$ 1,463,820	.87	.66	85	1.4	1.6	1.0	1.2
Citrus[14]	57,630	50,570	.03	.02	88	56,950	49,870	.03	.02	88	1.2	1.4	-1.3	-1.1
Pineapple	220,700	189,920	.11	.08	86	213,440	183,140	.11	.08	86	3.4	3.7	4.6	5.3
Applesauce	218,760	190,480	.11	.08	87	214,680	186,020	.11	.06	87	1.9	2.4	1.7	2.2
Fruit Cocktail	251,840	215,290	.12	.09	85	250,590	214,010	.13	.10	85	0.5	0.6	2.6	3.1
Peaches	326,840	279,700	.16	.12	86	324,570	277,200	.16	.13	85	0.7	0.9	1.8	2.1
Pears	166,000	140,140	.08	.06	84	161,480	136,060	.08	.06	84	2.8	3.0	-1.1	-1.1
All Other	494,880	420,860	.24	.18	85	491,440	417,520	.25	.19	85	0.7	0.8	-1.2	-1.5
Canned & Bottled Juices[15]	$ 1,850,160	$ 1,628,860	.93	.71	88	$ 1,776,970	$ 1,558,120	.92	.70	88	4.1	4.5	1.4	1.6
Apple Juice & Cider	621,110	562,610	.32	.24	91	567,220	512,860	.30	.23	90	9.5	9.7	—	—
Cranberry	266,720	247,450	.14	.11	93	254,280	234,770	.14	.11	92	4.9	5.4	—	—
Orange	123,720	95,360	.05	.04	77	127,150	97,900	.06	.04	77	-2.7	-2.6	2.3	2.4
Grape	128,600	118,100	.07	.05	92	124,610	114,220	.07	.05	92	3.2	3.4	—	—
Grapefruit	173,130	141,380	.08	.06	82	182,050	148,820	.09	.07	82	-4.9	-5.0	-1.1	-1.2
Pineapple	103,430	95,700	.05	.04	93	100,610	92,640	.05	.04	92	2.8	3.3	—	—
Nectars	59,040	54,510	.03	.02	92	57,540	53,080	.03	.02	92	2.6	2.7	—	—
Other Fruit Juices	90,890	71,520	.04	.03	79	87,990	69,100	.04	.03	79	3.3	3.5	1.3	1.5
Vegetable Juices[16]	283,530	242,240	.14	.11	85	275,540	234,730	.14	.11	85	2.9	3.2	3.1	3.3
Canned Fruit Drinks	$ 386,570	$ 322,510	.18	.14	83	$ 383,880	$ 319,950	.19	.14	83	0.7	0.8	-4.9	-5.7
Canned Meat	$ 2,551,080	$ 1,968,960	1.12	.85	77	$ 2,574,250	$ 1,984,840	1.18	.90	77	-0.9	-0.8	4.1	4.3
Canned Milk	$ 478,830	$ 415,500	.24	.18	87	$ 463,690	$ 401,190	.24	.18	87	3.3	3.6	6.7	7.2
Condensed Milk	28,110	17,560	.01	.01	62	27,370	17,080	.01	.01	62	2.7	2.8	5.4	5.7
Evaporated Milk	450,720	397,940	.23	.17	88	436,320	384,110	.23	.17	88	3.3	3.6	6.8	7.2

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[12] Includes chocolate syrup drinks, malted milk items, and other items but excludes chocolate syrup.

[13A] Excludes "Breakfast Drinks" listed separately above.

[13] Includes glass packs, infant formulas also listed under HBA, infant cereals, under Cereals.

[13A] Includes soya isolate formulas.

[14] Canned or chilled citrus sections.

[15] Full strength and concentrated juices in can. Non-carbonated canned fruit-flavored drinks listed separately below.

[16] Chiefly tomato juice.

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures)	1982					1981					Percentage Change			
											From '81 to '82		From '80 to '81	
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[3] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Food Sales	% of Total Store	% Gro.[3] to Total	Total[3]	Gro.[3]	Total[3]	Gro.[3]
Canned Poultry	$ 99,550	$ 90,090	.05	.04	**90**	$ 105,450	$ 95,530	.06	.04	**91**	-5.6	-5.7	2.3	2.1
Canned Soups[17]	$ 1,418,540	$ 1,314,880	.75	.57	**93**	$ 1,339,510	$ 1,238,120	.73	.56	**92**	5.9	6.2	5.3	5.4
Canned Vegetables	$ 3,065,690	$ 2,696,490	1.53	1.17	**88**	$ 2,899,860	$ 2,541,520	1.51	1.15	**88**	5.7	6.1	1.5	1.9
Beans with Pork or Sauce[18]	423,080	384,390	.22	.17	**91**	411,560	372,470	.22	.17	**91**	2.8	3.2	4.8	5.2
Asparagus	83,520	71,460	.04	.03	**86**	85,400	72,620	.04	.03	**85**	-2.2	-1.6	-1.4	-0.9
Beans (wax and green)	356,710	313,920	.18	.14	**88**	354,580	311,430	.18	.14	**88**	0.6	0.8	0.9	1.0
Corn	598,290	526,960	.30	.23	**88**	552,950	484,340	.29	.22	**88**	8.2	8.8	2.6	3.1
Peas	340,720	301,730	.17	.13	**89**	336,680	297,860	.18	.13	**88**	1.2	1.3	1.1	1.2
Tomatoes	378,080	322,780	.18	.14	**85**	338,780	288,450	.17	.13	**85**	11.6	11.9	3.2	3.7
Tomato Sauce	388,520	331,910	.19	.14	**85**	357,420	303,670	.18	.14	**85**	8.7	9.3	—	—
Tomato Paste	210,990	180,280	.10	.08	**85**	190,770	161,400	.10	.07	**85**	10.6	11.7	—	—
Tomato Puree	60,170	51,080	.03	.02	**85**	55,200	46,820	.03	.02	**85**	9.0	9.1	—	—
All Other	225,610	211,980	.12	.09	**94**	216,520	202,460	.12	.09	**94**	4.2	4.7	3.4	3.8
Cereals, Flour & Macaroni	**$ 7,360,300**	**$ 6,541,920**	**3.72**	**2.84**	**89**	**$ 6,885,980**	**$ 6,094,800**	**3.61**	**2.76**	**89**	**6.9**	**7.3**	**11.0**	**12.1**
Cereals	$ 3,514,720	$ 3,304,080	1.88	1.43	**94**	$ 3,172,270	$ 2,955,360	1.75	1.34	**93**	10.8	11.8	12.1	15.8
Cold Cereals	2,982,020	2,834,280	1.61	1.23	**95**	2,706,010	2,546,520	1.51	1.15	**94**	10.2	11.3	14.4	15.6
Hominy Grits	85,610	75,590	.04	.03	**88**	82,790	72,820	.04	.03	**88**	3.4	3.8	16.5	19.1
Hot Cereals	392,470	348,420	.20	.15	**89**	333,450	294,270	.17	.13	**88**	17.7	18.4	16.6	17.5
Infant Cereals	54,620	45,800	.03	.02	**84**	50,020	41,750	.02	.02	**83**	9.2	9.7	10.4	10.3
Rice	$ 568,140	$ 466,470	.27	.20	**82**	$ 553,200	$ 453,320	.27	.21	**82**	2.7	2.9	13.2	14.1
Flour	$ 2,164,690	$ 1,934,660	1.10	.84	**89**	$ 2,100,710	$ 1,889,960	1.12	.86	**90**	3.1	2.4	8.8	9.3
Cake Flour	12,200	10,820	.01	.00	**89**	11,120	9,820	.01	.00	**88**	9.7	10.2	5.8	6.5
Corn Meal	156,530	134,050	.08	.06	**86**	158,430	135,540	.08	.06	**86**	-1.2	-1.1	15.7	17.3
Family Flour	639,700	516,790	.29	.22	**81**	658,130	531,130	.31	.24	**81**	-2.8	-2.7	5.7	6.4
Pancake & Waffle Mixes	143,060	130,890	.07	.06	**91**	146,130	133,970	.08	.06	**92**	-2.1	-2.3	6.2	6.8
Prepared Mixes	1,213,190	1,142,110	.65	.50	**94**	1,126,900	1,079,500	.64	.49	**96**	7.7	5.8	10.1	10.2
Cake Mixes	568,440	1,142,110	.65	.50	**94**	552,420	1,079,500	.64	.49	**96**	2.9	5.8	7.6	10.2
Frostings, Icings, Fudge Mixes	259,010					226,410					14.4		15.2	
Pie Crust Mixes	63,690					62,500					1.9		—	
Pizza Pie Mixes	85,810					65,600					30.8		—	
Other Prepared Mixes	236,250					219,970					7.4		11.1	
Macaroni Products	$ 1,112,760	$ 836,710	.48	.36	**75**	$ 1,059,800	$ 796,160	.47	.36	**75**	5.0	5.1	4.3	4.8
Macaroni	369,080	260,360	.15	.11	**71**	351,500	247,730	.15	.11	**70**	5.0	5.1	4.2	4.5
Noodles	271,750	196,900	.11	.09	**72**	260,550	188,420	.11	.09	**72**	4.3	4.5	4.1	4.4
Spaghetti	471,930	379,450	.22	.16	**80**	447,750	360,010	.21	.16	**80**	5.4	5.4	4.6	5.3
Condiments, Dressings, Spreads, Relishes	**$ 5,925,140**	**$ 4,617,750**	**2.63**	**2.00**	**78**	**$ 5,605,160**	**$ 4,347,780**	**2.58**	**1.97**	**78**	**5.7**	**6.2**	**11.4**	**11.8**
Condiments	$ 1,635,470	$ 1,263,230	.72	.55	**77**	$ 1,489,920	$ 1,145,450	.68	.52	**77**	9.8	10.3	9.9	10.3
Barbecue Sauces	47,450	41,390	.02	.02	**87**	44,060	38,220	.02	.02	**87**	7.7	8.3	13.9	14.4
Ketchup	554,760	434,780	.25	.19	**78**	487,490	380,720	.23	.17	**78**	13.8	14.2	10.7	10.9
Condiment Sauces[19]	89,710	69,390	.04	.03	**77**	82,450	63,430	.04	.03	**77**	8.8	9.4	6.2	6.5
Flavor Enhancers	21,610	19,250	.01	.01	**89**	20,940	18,620	.01	.01	**89**	3.2	3.4	12.7	12.8
Prepared Mustard	132,150	98,850	.06	.04	**75**	117,570	86,260	.05	.04	**73**	12.4	14.6	6.8	7.2
Pepper	155,820	112,040	.06	.05	**72**	147,980	107,320	.06	.05	**73**	5.3	4.4	2.8	3.3
Salt	154,330	126,420	.07	.05	**82**	136,090	111,190	.07	.05	**82**	13.4	13.7	6.7	6.9
Spices	479,630	361,090	.21	.16	**75**	453,340	339,690	.20	.15	**75**	5.8	6.3	3.6	14.2
Dressings, Spreads	$ 2,359,000	$ 1,866,100	1.06	.81	**79**	$ 2,368,350	$ 1,864,120	1.10	.84	**79**	-0.4	0.1	14.1	14.2
French Dressings	85,630	72,260	.04	.03	**84**	83,460	70,220	.04	.03	**84**	2.6	2.9	6.7	7.2
Mayonnaise	702,050	560,720	.32	.24	**80**	696,480	555,720	.33	.25	**80**	0.8	0.9	7.6	8.4
Other Dressings[20]	707,840	599,020	.34	.26	**85**	683,900	577,650	.34	.26	**84**	3.5	3.7	8.5	8.9
Olive Oil	65,120	60,260	.03	.03	**93**	59,690	55,130	.03	.02	**92**	9.1	9.3	5.7	5.9
Peanut Butter	626,790	447,470	.25	.19	**71**	678,340	483,230	.29	.22	**71**	-7.6	-7.4	32.8	33.9
Sandwich Spreads	49,380	43,600	.02	.02	**88**	50,700	44,670	.03	.02	**88**	-2.6	-2.4	4.8	5.2
Vinegar	123,190	82,770	.05	.04	**67**	115,780	77,500	.05	.04	**67**	6.4	6.8	11.4	11.8
Relishes & Appetizers	$ 1,041,820	$ 702,570	.40	.30	**67**	$ 982,130	$ 656,530	.39	.30	**67**	6.1	7.0	7.4	7.7
Bottled Green Olives	149,340	124,610	.07	.05	**83**	137,260	114,010	.07	.05	**83**	8.8	9.3	7.3	7.6
Canned Ripe Olives	133,550	117,390	.07	.05	**88**	112,040	98,150	.06	.04	**88**	19.2	19.6	8.2	8.5
Pickled Cucumbers, Tomatoes, Peppers[21]	660,220	377,440	.21	.16	**57**	637,280	363,970	.22	.16	**57**	3.6	3.7	7.3	7.8
Relishes & Mixed Pickles	98,700	83,130	.05	.04	**84**	95,550	80,400	.05	.04	**84**	3.3	3.4	7.1	6.6
Spaghetti Sauces	$ 887,860	$ 785,850	.45	.34	**89**	$ 764,760	$ 681,680	.40	.31	**89**	16.1	15.3	—	—
Meatless	767,030	690,810	.39	.30	**90**	651,130	592,460	.35	.27	**91**	17.8	16.6	—	—
With Meat	110,020	86,480	.05	.04	**79**	103,300	81,050	.05	.04	**78**	6.5	6.7	—	—
With Clams	10,820	8,560	.00	.00	**79**	10,330	8,170	.00	.00	**79**	4.7	4.8	—	—
Desserts	**$ 488,280**	**$ 427,670**	**.24**	**.19**	**88**	**$ 483,130**	**$ 422,800**	**.25**	**.19**	**88**	**1.1**	**1.2**	**8.3**	**8.5**
Packaged Gelatin Desserts[22]	211,760	193,160	.11	.08	**91**	210,500	191,820	.11	.09	**91**	0.6	0.7	5.4	5.9
Prepared Puddings[23]	276,520	234,510	.13	.10	**85**	272,630	230,980	.14	.10	**85**	1.4	1.5	10.5	10.8
Instant	96,260	80,350	.05	.03	**83**	95,210	79,400	.05	.04	**83**	1.1	1.2	10.4	10.7
Others	180,260	154,160	.09	.07	**86**	177,420	151,580	.09	.07	**85**	1.6	1.7	10.6	10.9

[17] Excludes frozen soups.
[18] Includes baked beans.
[19] Excludes chili, seafood, cocktail and spaghetti sauce.
[20] Includes pourable and spoon-type salad dressings.
[21] Includes pickles of all types as well as pickled tomatoes, peppers and the like. Mixed pickles are included in relishes.
[22] Both flavored and unflavored.
[23] Includes corn starch puddings, tapioca, rennet.

SPENDING FOR DRY GROCERIES—continued

(add 000 to all dollar figures) PRODUCTS	1981 Value[1] of Total Domestic Consumption	1981 Amount Spent in Grocery Stores[2]	1981 % of Food Sales	1981 % of Total Store	1981 % Gro.[3] to Total	1981 Value[1] of Total Domestic Consumption	1981 Amount Spent in Grocery Stores[2]	1981 % of Food Sales	1981 % of Total Store	1981 % Gro.[3] to Total	Percentage Change From '81 to '82 Total[1]	Percentage Change From '81 to '82 Gro.[1]	Percentage Change From '80 to '81 Total[3]	Percentage Change From '80 to '81 Gro.[3]
Dried Foods	$ 4,014,880	$ 2,618,980	1.49	1.14	65	3,799,690	$ 2,497,200	1.48	1.13	66	5.7	4.9	8.7	9.3
Dried Vegetables, Fruits, Nuts	$ 3,260,110	$ 1,977,170	1.12	.86	61	$ 3,066,740	$ 1,875,100	1.11	.85	61	6.3	5.4	9.2	10.2
Beans & Peas	560,620	283,320	.16	.12	51	643,650	323,790	.19	.15	50	-12.9	-12.5	8.5	8.9
Fruits	545,810	406,830	.23	.18	75	483,820	359,450	.21	.16	74	12.8	13.2	11.2	13.2
Raisins	356,680	266,900	.15	.12	75	312,600	233,100	.14	.11	75	14.1	14.5	—	—
Prunes	99,730	77,180	.04	.03	77	91,330	70,420	.04	.03	77	9.2	9.6	—	—
All Other	89,400	62,750	.03	.04	70	79,890	55,930	.03	.03	70	11.9	12.2	—	—
Instant Mashed Potatoes	134,140	124,700	.07	.05	93	125,600	116,430	.07	.05	93	6.8	7.1	18.9	19.3
Other Instant Potatoes	48,460	44,010	.03	.02	91	45,460	41,170	.02	.02	91	6.6	6.9	10.4	10.8
Nuts	1,930,890	1,083,690	.62	.47	56	1,730,190	1,001,560	.59	.45	58	11.6	8.2	8.3	8.7
Onion Flakes	40,190	34,630	.02	.02	86	38,020	32,700	.02	.01	86	5.7	5.9	—	—
Other Dried Foods	$ 754,770	$ 641,810	.37	.28	85	$ 732,950	$ 622,100	.37	.28	85	3.0	3.2	6.4	6.7
Cured Fish	186,260	118,430	.07	.05	64	174,240	110,370	.07	.05	63	6.9	7.3	9.6	10.4
Dry Milk Powders[24]	184,630	171,250	.10	.07	93	195,380	180,640	.11	.08	92	-5.5	-5.2	-2.9	-2.7
Soup Mixes[25]	241,710	219,370	.12	.10	91	220,940	199,610	.12	.09	90	9.4	9.9	11.8	12.4
Instant Bouillon & Cubes	58,980	54,820	.03	.02	93	53,330	49,340	.03	.02	93	10.6	11.1	12.8	13.4
Dry Gravy Mixes	57,220	53,850	.03	.02	94	55,120	51,830	.03	.02	94	3.8	3.9	8.2	8.4
Dry Toppings	25,960	24,100	.01	.01	93	33,940	30,310	.02	.01	89	-23.5	-20.5	3.2	3.3
Fats & Shortenings[26]	$ 1,746,480	$ 1,379,320	.78	.60	79	$ 1,710,620	$ 1,341,460	.80	.61	78	2.1	2.8	2.8	3.5
Cooking & Salad Oils	948,380	765,410	.44	.33	81	904,940	727,580	.43	.33	80	4.8	5.2	6.4	6.7
Lard	162,640	70,570	.04	.03	43	175,260	75,390	.04	.03	43	-7.2	-6.4	-6.9	-5.7
Shortening[26A]	635,460	543,340	.31	.24	86	630,420	538,490	.32	.24	85	0.8	0.9	0.0	0.0
Jams, Jellies, Preserves	$ 1,219,140	$ 1,007,280	.57	.44	83	$ 1,143,760	$ 943,450	.56	.43	82	6.6	6.8	7.7	8.1
Citrus Marmalade	12,630	843,350	.48	.37	86	11,990	785,970	.47	.36	86	5.3	7.3	6.4	8.1
Fruit Butter	6,610					6,330					4.4		5.5	
Jams, Preserves	688,950					644,480					6.9		8.3	
Jellies	277,210					256,200					8.2		10.6	
Honey	233,750	163,940	.09	.07	70	224,760	157,480	.09	.07	70	4.0	4.1	1.7	1.8
Sweeteners, Flavors	$ 2,501,300	$ 2,038,120	1.16	.88	81	$ 2,654,430	$ 2,167,730	1.28	.98	82	-5.8	-6.0	-16.6	-17.0
Flavoring Extracts	159,240	106,230	.06	.05	67	148,270	98,610	.06	.04	67	7.4	7.7	7.3	7.6
Vanilla Extract	95,580	65,050	.04	.03	68	89,160	60,510	.04	.03	68	7.2	7.5	6.4	6.6
Other Flavoring Extracts	63,660	41,190	.02	.02	65	59,110	38,100	.02	.02	64	7.7	8.1	8.7	9.2
Marshmallow Creme	11,650	10,540	.01	.00	90	10,920	9,860	.01	.00	90	6.7	6.9	4.6	4.8
Packaged Molasses	22,470	19,300	.01	.01	86	20,730	17,770	.01	.01	86	8.4	8.6	17.3	17.5
Sugar	1,920,120	1,613,050	.92	.70	84	2,110,020	1,770,640	1.05	.80	84	-9.0	-8.9	-23.3	-23.0
Table Syrup	387,820	288,000	.16	.13	75	364,490	270,850	.16	.12	74	6.4	6.7	11.2	11.6
All Other Dry Groceries[27]	$ 578,330	$ 533,160	.30	.23	92	$ 198,580	$ 183,070	.11	.08	92	—	—	—	—
Duplication[27A]	$ 863,460	$ 726,600	.41	.32	—	$ 719,500	$ 602,750	.36	.27	—	—	—	—	—
Total Dry Groceries	$ 97,814,510	$ 58,638,350	33.36	25.42	60	$ 94,347,510	$ 56,149,240	33.28	25.40	60	3.7	4.4	6.5	6.7
Total Foods[28]	$274,456,980	$175,779,700	100.00	76.21	64	$265,066,940	$168,710,130	100.00	76.33	64	3.5	4.2	7.9	9.0

WHAT CONSUMERS SPEND FOR HOUSEHOLD, PET, TOBACCO PRODUCTS

Household Supplies	$ 19,986,010	$ 16,292,060	29.70	7.06	82	$ 18,664,210	$ 15,123,600	28.91	6.84	81	7.1	7.7	9.2	9.6
Dry Cleaners	$ 60,770	$ 35,920	.07	.02	59	$ 58,710	$ 34,660	.07	.02	59	3.5	3.6	11.5	9.7
Home Dry Cleaning Fluids	25,510	21,030	.04	.01	82	24,670	20,320	.04	.01	82	3.4	3.5	10.3	10.7
Spot Cleaning Fluids	35,270	14,890	.03	.01	42	34,040	14,340	.03	.01	42	3.6	3.8	11.8	12.2
Laundry Supplies	$ 918,100	$ 844,670	1.54	.37	92	$ 879,300	$ 803,730	1.54	.36	91	4.4	5.1	7.1	7.1
Bleaches	289,720	268,530	.49	.12	93	286,150	264,840	.51	.12	93	1.3	1.4	6.3	6.1
Liquid	245,480	228,570	.42	.10	93	243,530	226,530	.43	.10	93	0.8	0.9	6.3	6.1
Dry	44,240	39,960	.07	.02	90	42,620	38,310	.07	.02	90	3.8	4.3	6.5	6.2
Bluing	4,500	3,750	.01	.00	83	4,420	3,680	.01	.00	83	1.7	1.9	3.8	4.0
Fabric Softeners	548,370	504,130	.92	.22	92	514,420	468,090	.89	.21	91	6.6	7.7	6.8	7.1
Laundry Starch	75,510	68,260	.12	.03	90	74,310	67,120	.13	.03	90	1.6	1.7	12.3	12.2
Dry	3,770	3,360	.01	.00	89	3,740	3,340	.01	.00	89	0.7	0.6	4.2	4.1
Sprays	59,030	53,090	.10	.02	90	57,930	52,050	.10	.02	90	1.9	2.0	14.9	14.8
Other Liquids	12,720	11,810	.02	.01	93	12,640	11,730	.02	.01	93	0.6	0.7	3.9	4.1
Soaps & Detergents	$ 4,955,580	$ 4,512,460	8.23	1.96	91	$ 4,581,970	$ 4,158,730	7.95	1.88	91	8.2	8.5	10.7	11.1
Cleansers (scouring)	309,170	240,440	.44	.10	78	290,030	225,130	.43	.10	78	6.6	6.8	9.6	9.8
Laundry Bar Soap	5,620	4,410	.01	.00	78	5,880	4,600	.01	.00	78	-4.4	-4.1	-6.0	-5.9
Soap Flakes, Chips, Powders	40,660	38,110	.07	.02	94	38,870	36,360	.07	.02	94	4.6	4.8	6.3	6.3
Liquid Detergents	1,529,000	1,421,110	2.59	.62	93	1,371,220	1,271,150	2.43	.58	93	11.5	11.8	11.2	11.4
Heavy Duty	467,900	431,240	.79	.19	92	410,080	376,960	.72	.17	92	14.1	14.4	12.8	12.9
Other Liquids	1,061,100	989,870	1.80	.43	93	961,140	894,190	1.71	.40	93	10.4	10.7	10.6	10.8
Other Detergents	2,064,630	1,954,460	3.56	.85	95	1,930,720	1,822,290	3.48	.82	94	6.9	7.3	11.5	12.0
Dishwasher Compounds	253,680	218,810	.40	.09	86	235,320	202,410	.39	.09	86	7.8	8.1	14.8	15.1
Other Dry Low Sudsing	783,300	735,480	1.34	.32	94	728,650	681,630	1.30	.31	94	7.5	7.9	13.5	14.2
Other Dry Detergents	1,027,660	1,000,180	1.82	.43	97	966,750	938,250	1.79	.42	97	6.3	6.6	9.4	9.8

[24] Nonfat dry milk solids in household size packages.
[25] Excludes bouillon cubes listed separately below.
[26] Olive oil included with dressings. Margarine with Dairy.
[26A] Vegetable shortening and shortening compounds.
* Less than .005%.
[27] Includes new products and products not classified elsewhere.
[27A] For Infant Formulas.
[28] Edibles for human consumption. Excludes pet foods.
[28A] Excludes liquid soaps and detergents.

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS—continued

(add 000 to all dollar figures)

PRODUCTS	1982					1981					Percentage Change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]
Toilet Soaps & Detergents[28A]	1,006,500	853,930	1.56	.37	85	945,250	799,200	1.53	.36	85	6.5	6.9	8.8	9.1
Deodorant Soaps & Bars	476,530	465,240	.85	.20	98	456,880	443,510	.85	.20	97	4.3	4.9	6.7	7.1
Liquid Soaps	129,580	79,180	.14	.03	61	118,660	71,530	.14	.03	60	9.2	10.7	—	—
Other Bath Soaps	279,580	217,280	.40	.09	78	260,070	201,370	.38	.09	77	7.5	7.9	11.3	11.8
Other Bath Detergents	120,820	92,230	.17	.04	76	109,640	82,790	.16	.04	76	10.2	11.4	12.2	13.9
Other Cleaners, Cleansers & Supplies	$ 1,312,550	$ 1,065,410	1.94	.46	81	$ 1,245,310	$ 1,009,840	1.93	.46	81	5.4	5.5	7.4	7.8
All-Purpose Cleaners (liquids)	550,200	471,240	.86	.20	86	508,030	433,120	.83	.20	85	8.3	8.8	10.5	10.7
Cellulose Sponges	94,010	71,980	.13	.03	77	82,680	66,460	.13	.03	80	13.7	8.3	7.5	9.8
Drain Pipe Solvents	25,070	23,070	.04	.01	92	23,150	21,240	.04	.01	92	8.3	8.6	10.4	10.7
Household Ammonia	49,230	34,120	.06	.01	69	47,560	32,900	.06	.01	69	3.5	3.7	3.8	3.9
House Floor Brooms	138,580	98,730	.18	.04	71	143,750	102,310	.20	.05	71	-3.6	-3.5	4.3	4.6
Rug Cleaners[29]	69,180	49,850	.09	.02	72	68,220	49,110	.09	.02	72	1.4	1.5	-5.2	-5.1
Steel Wool & Wire Sponges[29]	108,170	98,480	.18	.04	91	101,850	92,380	.18	.04	91	6.2	6.6	5.4	5.8
Toilet Bowl Cleaners	78,790	67,090	.12	.03	85	76,200	65,010	.12	.03	85	3.4	3.2	6.6	6.5
Wall & Floor Cleaners[30]	46,960	41,790	.08	.02	89	46,360	41,420	.08	.02	89	1.3	0.9	2.5	2.2
Window Cleaning Liquids	63,230	55,740	.10	.02	88	61,870	54,700	.10	.02	88	2.2	1.9	12.1	11.9
All Other Cleaning Supplies[31]	89,150	53,340	.10	.02	60	85,640	51,190	.10	.02	60	4.1	4.2	9.7	10.2
Home Canning Supplies	$ 137,090	$ 113,190	.21	.05	83	$ 128,870	$ 108,340	.21	.05	84	6.4	4.5	22.2	23.2
Caps, Lids, Bands	69,770	60,640	.11	.03	87	67,020	58,480	.11	.03	87	4.1	3.7	21.2	22.3
Jars	61,020	47,360	.09	.02	78	54,870	44,140	.08	.02	80	11.2	7.3	26.8	28.1
Rings	6,310	5,180	.01	.00	82	6,980	5,720	.01	.00	82	-9.6	-9.4	0.1	0.1
Pesticides	$ 364,080	$ 249,880	.46	.11	69	$ 352,640	$ 241,090	.46	.11	68	3.2	3.6	9.5	10.0
Aerosols	243,010	169,340	.31	.07	70	228,820	159,150	.30	.07	70	6.2	6.4	10.6	10.9
Liquids (non-aerosol)	47,280	33,210	.06	.01	70	39,800	27,840	.05	.01	70	18.8	19.3	3.2	3.4
Pastes, Solids, Strips	36,470	24,990	.05	.01	69	47,860	32,540	.06	.01	68	-23.8	-23.2	-3.7	-3.6
Personal Insect Repellants	37,320	22,340	.04	.01	60	36,160	21,560	.04	.01	60	3.2	3.6	33.2	44.3
Paper Products	$ 7,979,550	$ 6,848,310	12.48	2.97	86	$ 7,359,660	$ 6,287,120	12.02	2.84	85	8.4	8.9	9.5	9.6
Cleansing & Facial Tissues	715,940	629,660	1.15	.27	88	671,610	589,020	1.13	.27	88	6.6	6.9	7.2	7.5
Disposable Diapers & Liners	2,116,070	1,582,800	2.89	.69	75	1,866,020	1,403,190	2.68	.63	75	13.4	12.8	13.2	12.1
Pre-Moistened Towels and Wipes	81,700	66,020	.12	.03	81	63,730	51,300	.10	.02	80	28.2	28.7	25.1	25.8
Paper Cups[31A]	328,490	257,680	.47	.11	78	323,000	251,890	.48	.11	78	1.7	2.3	4.7	5.1
Paper Plates[31A]	443,550	351,860	.64	.15	79	406,180	318,140	.61	.14	78	9.2	10.6	9.5	10.3
Paper Towels	1,591,850	1,493,630	2.72	.65	94	1,527,690	1,425,220	2.72	.64	93	4.2	4.8	5.4	6.1
Toilet Paper	2,113,180	2,005,530	3.66	.87	95	1,942,260	1,811,680	3.46	.82	93	8.8	10.7	10.6	11.2
Freezer Paper	18,100	14,990	.03	.01	83	17,880	14,780	.03	.01	83	1.2	1.4	6.0	7.6
Paper Napkins	385,310	363,420	.66	.16	94	364,190	342,530	.65	.15	94	5.8	6.1	8.4	9.6
Sandwich Bags[32]	7,330	6,660	.01	.00	91	7,210	6,520	.01	.00	90	1.7	2.1	-2.4	-1.5
Shelf Paper[32]	1,960	1,270	.00	.00	65	2,020	1,300	.00	.00	64	-3.1	-2.4	-3.5	-2.3
Waxed Paper	40,970	35,190	.06	.02	86	39,930	34,130	.07	.02	85	2.6	3.1	6.3	7.4
Other Paper Products[33]	135,110	39,590	.07	.02	29	127,940	37,420	.07	.02	29	5.6	5.8	9.4	10.7
Household Aluminum Foil	$ 404,660	$ 361,730	.66	.16	89	$ 373,300	$ 334,320	.64	.15	90	8.4	8.2	15.5	15.2
Plastic Film Wrap[34]	$ 687,840	$ 612,780	1.12	.27	89	$ 659,440	$ 586,970	1.12	.27	89	4.3	4.4	10.5	10.5
Plastic Bags	493,260	437,030	.80	.19	89	481,580	426,610	.82	.19	89	2.4	2.4	11.3	11.4
Garbage Disposal	286,740	252,240	.46	.11	88	280,290	246,330	.47	.11	86	2.3	2.4	10.5	10.7
All Other Plastic Bags	206,520	184,790	.34	.08	89	201,290	180,280	.34	.08	90	2.6	2.5	12.5	12.3
Other Plastic Wraps	194,580	175,760	.32	.08	90	177,860	160,360	.31	.07	90	9.4	9.6	8.2	8.3
Waxes & Polishes	$ 515,820	$ 322,910	.59	.14	63	$ 487,080	$ 302,890	.58	.14	62	5.9	6.6	13.7	12.2
Automobile Polish	138,330	35,630	.06	.02	26	129,160	33,240	.06	.02	26	7.1	7.2	9.8	9.9
Furniture Polish	217,310	163,590	.30	.07	75	198,460	146,850	.28	.07	74	9.5	11.4	13.5	14.3
Liquid Floor Wax	7,660	4,480	.01	.00	58	8,310	4,940	.01	.00	59	-7.8	-9.3	1.6	1.9
Paste Floor Wax	5,200	3,400	.01	.00	65	5,440	3,550	.01	.00	65	-4.4	-4.1	4.4	5.9
Self-Polishing Floor Wax	147,310	115,800	.21	.05	79	145,710	114,310	.22	.05	78	1.1	1.3	19.1	12.2
Other Household Supplies	$ 2,482,400	$ 1,243,530	2.27	.54	50	$ 2,362,090	$ 1,170,610	2.24	.53	50	5.1	6.2	5.2	4.1
Charcoal Briquets	323,880	277,600	.51	.12	86	299,610	250,990	.48	.11	84	8.1	10.6	7.5	12.8
Fireplace Logs	74,770	47,440	.09	.02	63	67,540	41,870	.08	.02	62	10.7	13.3	—	—
Charcoal Lighter	117,220	83,240	.15	.04	71	109,350	75,950	.15	.03	69	7.2	9.6	—	—
Electric Light Bulbs[35]	863,500	376,460	.69	.16	44	826,320	359,560	.69	.16	44	4.5	4.7	1.5	-2.1
Electric Christmas Bulbs & Sets	244,170	27,810	.05	.01	11	223,600	24,700	.05	.01	11	9.2	12.6	—	—
Household Deodorizers	259,770	145,170	.26	.06	56	250,050	138,530	.26	.06	55	3.9	4.8	11.0	0.9
Aerosol	73,410	52,520	.10	.02	72	67,160	47,880	.09	.02	71	9.3	9.7	7.8	15.2
Non-aerosol	186,370	92,640	.17	.04	50	182,890	90,650	.17	.04	50	1.9	2.2	8.7	-5.7
Household Disinfectants	231,000	172,870	.32	.07	75	225,150	168,000	.32	.08	75	2.6	2.9	5.1	5.5
Household Tints & Dyes	45,620	4,140	.01	.00	9	45,080	4,090	.01	.00	9	1.2	1.3	5.5	5.7
Boxed Matches	27,900	18,660	.03	.01	67	29,030	19,420	.04	.01	67	-3.9	-3.9	-3.3	-3.2
Household Glue	21,250	3,010	.01	.00	14	20,730	2,950	.01	.00	14	2.5	2.1	—	—
Shoe Polish	222,980	68,770	.13	.03	31	219,150	68,220	.13	.03	31	1.8	0.8	12.4	13.3
White	11,250	68,770	.13	.03	31	10,750	58,220	.13	.03	31	4.6	0.8	12.2	13.3
All Other	211,730					208,400					1.6		12.6	
Household Gloves	50,340	18,360	.03	.01	36	46,480	16,330	.03	.01	35	8.3	12.4	4.8	9.6
Household Supplies, n.c.e.	$ 167,580	$ 81,290	.15	.04	49	$ 175,840	$ 85,300	.16	.04	49	-4.7	-4.7	—	—
Pet Foods[36]	**$ 4,656,430**	**$ 4,291,970**	**7.82**	**1.86**	**92**	**$ 4,429,720**	**$ 4,059,780**	**7.76**	**1.84**	**92**	**5.1**	**5.7**	**3.7**	**11.1**
Bird Food	34,360	18,390	.03	.01	54	32,820	17,550	.03	.01	53	4.7	4.8	11.1	11.3

[28B] Liquids, Sprays and Powders.

[29] Includes soap cakes and pads. Excludes plastics.

[30] Chemical heavy duty household cleaners for walls, woodwork and floors. Excludes liquids.

[31] Includes borax, water softeners and similar items.

[31A] Includes plastic and other non-paper disposables.

[32] Paper only.

[33] Excludes aluminum or plastic which are listed separately below.

[34] Consumer size packages for household use only.

[35] 200 watt and under including non-residential use. Grocery store sales estimated at 70% of residential.

[36] Pet accessories listed under General Merchandise.

n.c.e. Not classified elsewhere. *Less than .005%.

—Not available.

SPENDING FOR HOUSEHOLD, PET, TOBACCO PRODUCTS—continued

(add 000 to all dollar figures)	1982					1981					Percentage Change			
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]
Canned Pet Food	1,740,090	1,644,210	3.01	.71	94	1,649,660	1,549,210	2.96	.70	94	5.5	6.1	—	—
Canned Cat Food	849,530	799,180	1.45	.35	94	785,870	731,180	1.40	.33	93	8.1	9.3	13.5	13.6
Canned Dog Food	890,570	845,030	1.54	.37	95	863,790	813,030	1.56	.37	95	3.1	3.3	2.1	2.3
Dry Pet Food	2,373,570	2,164,870	3.95	.94	91	2,239,660	2,029,370	3.88	.92	91	6.0	6.7	—	—
Dry Cat Food	652,180	584,970	1.07	.25	90	593,970	521,830	1.00	.24	88	9.8	12.1	16.3	16.5
Dry Dog Food	1,721,390	1,579,900	2.88	.69	92	1,645,690	1,507,540	2.88	.68	92	4.6	4.8	16.1	16.3
Semi-Moist Pet Food	508,400	464,500	.85	.20	91	507,580	463,650	.89	.21	91	0.2	0.2	—	—
Semi-Moist Cat Food	219,340	195,110	.36	.08	89	210,500	187,070	.36	.08	89	4.2	4.3	7.6	7.7
Semi-Moist Dog Food	289,060	269,390	.49	.12	93	297,080	276,580	.53	.13	93	-2.7	-2.6	-0.4	-0.4
Tobacco Products	**$ 19,883,050**	**$ 8,568,490**	**15.65**	**3.72**	**43**	**$ 18,035,040**	**$ 7,758,350**	**14.83**	**3.51**	**43**	**10.2**	**10.7**	**8.7**	**10.7**
Cigarettes	18,199,190	8,059,770	14.69	3.49	44	16,414,810	7,260,920	13.88	3.29	44	10.9	11.0	9.2	10.9
Filter-Tipped	16,931,030	8,059,770	14.69	3.49	44	15,184,780	7,260,920	13.88	3.29	44	11.5	11.0	9.8	10.9
Other Cigarettes	1,268,160					1,230,030					3.1		2.5	
Cigars	693,850	86,610	.16	.04	12	700,150	87,310	.17	.04	12	-0.9	-0.8	-3.5	-2.6
Tobacco & Snuff	990,010	442,110	.81	.19	45	920,080	410,120	.78	.19	45	7.6	7.8	9.5	9.9
All Other Groceries, n.c.e.	**$ 1,551,230**	**$ 1,389,910**	**2.53**	**.60**	**90**	**$ 2,026,450**	**$ 1,912,680**	**3.65**	**.83**	**94**	—	—	—	—
Total Other Groceries	**$ 46,076,720**	**$ 30,562,430**	**55.71**	**13.25**	**66**	**$ 43,155,420**	**$ 28,854,450**	**55.16**	**13.06**	**67**	**7.6**	**5.9**	**11.0**	**11.8**
Total Foods & Grocery Products	**$320,533,100**	**$206,342,130**	**nd**	**89.46**	**64**	**$308,222,360**	**$197,564,540**	**nd**	**89.39**	**64**	**4.1**	**4.4**	**8.3**	**9.4**

WHAT CONSUMERS SPEND FOR GENERAL MERCHANDISE, HEALTH & BEAUTY AIDS

PRODUCTS	1982 Value of Total Domestic Consumption	1982 Amount Spent in Grocery Stores	1982 % of Non-food Sales	1982 % of Total Store	1982 % Gro. to Total	1981 Value of Total Domestic Consumption	1981 Amount Spent in Grocery Stores	1981 % of Non-food Sales	1981 % of Total Store	1981 % Gro. to Total	From '81 to '82 Total	From '81 to '82 Gro.	From '80 to '81 Total	From '80 to '81 Gro.
Health & Beauty Aids (Non-Rx)	**$ 24,673,940**	**$ 9,443,020**	**17.21**	**4.09**	**38**	**$ 23,671,800**	**$ 9,163,320**	**17.52**	**4.15**	**39**	**4.2**	**3.1**	**11.8**	**12.2**
Dieting Aids	$ 328,200	$ 131,310	.24	.06	40	$ 333,850	$ 128,190	.25	.06	38	-1.7	2.4	12.1	15.3
Metered Calorie Products	31,570	12,470	.02	.01	39	32,380	12,750	.02	.01	39	-2.5	-2.2	-2.9	-2.6
Reducing Preparations	206,660	54,530	.10	.02	26	225,610	61,760	.12	.03	27	-8.4	-11.7	14.8	16.4
Synthetic Sweeteners	89,970	64,310	.12	.03	71	75,860	53,680	.10	.02	71	18.6	19.8	12.2	17.9
Cosmetics, Hand Products	$ 4,916,620	$ 759,490	1.38	.33	15	$ 4,236,850	$ 643,470	1.23	.29	15	16.0	18.0	18.6	21.3
Eye Makeup Products	1,805,240	343,170	.63	.15	19	1,518,880	282,210	.54	.13	19	18.9	21.6	21.6	29.3
Mascara	638,550	343,170	.63	.15	19	529,480	282,210	.54	.13	19	20.6	21.6	30.1	29.3
Eyebrow Pencil	161,350					135,020					19.5		27.2	
Eye Shadow	818,240					692,250					18.2		18.1	
Other Eye Preparations & Accessories[37]	187,100					162,130					15.4		8.0	
Face Cream	624,290	123,720	.23	.05	20	527,720	103,010	.20	.05	20	18.3	20.1	19.7	21.2
Face Lotions & Astringents	101,390	11,110	.02	.00	11	86,290	9,240	.02	.00	11	17.5	20.2	7.8	11.9
Hand Creams	23,140	5,410	.01	.00	23	19,350	4,390	.01	.00	23	19.6	23.3	4.5	9.8
Hand & Body Lotions	285,180	108,940	.20	.05	38	245,420	90,180	.17	.04	37	16.2	20.8	20.6	24.9
Lipstick	896,620	33,140	.06	.01	4	733,730	28,970	.06	.01	4	22.2	14.4	33.8	18.1
Liquid Facial Cleansers	100,010	27,610	.05	.01	28	96,910	26,620	.05	.01	27	3.2	3.7	2.8	2.3
Makeup Bases	545,300	28,170	.05	.01	5	522,010	27,610	.05	.01	5	4.5	2.0	4.0	1.8
Cake	56,600	3,130	.01	.00	6	54,530	3,070	.01	.00	6	3.8	1.9	3.4	1.7
Lotion	320,360	17,080	.03	.01	5	304,520	16,680	.03	.01	5	5.2	2.4	4.7	2.2
Cream	168,340	7,960	.01	.00	5	162,960	7,860	.02	.00	5	3.3	1.3	2.9	1.1
Manicure Implements	121,610	32,260	.06	.01	27	117,040	30,900	.06	.01	26	3.9	4.4	7.1	8.8
Nail Polish Removers	47,780	10,090	.02	.00	21	42,470	8,910	.02	.00	21	12.5	13.2	28.9	30.1
Nail Polish & Enamel	234,230	29,890	.05	.01	13	201,230	25,610	.05	.01	13	16.4	16.7	27.5	24.4
Pressed Cake Powder & Blush Makeup	131,840	6,010	.01	.00	5	125,800	5,820	.01	.00	5	4.8	3.2	4.4	2.8
Hair Products[38]	$ 3,155,500	$ 1,284,130	2.34	.56	41	$ 2,963,670	$ 1,186,850	2.27	.54	40	6.5	8.2	9.6	10.8
Coloring Preparations	533,970	79,730	.15	.03	15	499,960	74,440	.14	.03	15	6.8	7.1	11.8	13.7
Rinses	82,580	79,730	.15	.03	15	78,500	74,440	.14	.03	15	5.2	7.1	9.0	13.7
Tints & Dyes	451,380					421,460					7.1		12.3	
Creme Rinses	144,350	78,450	.14	.03	54	135,670	73,110	.14	.03	54	6.4	7.3	10.6	12.9
Dandruff Rinses	15,780	5,660	.01	.00	36	15,420	5,550	.01	.00	36	2.3	1.9	2.8	2.2
Men's Hair Dressings	113,010	55,240	.10	.02	49	108,350	52,530	.10	.02	48	4.3	5.2	4.7	5.8
Aerosol	35,440	15,590	.03	.01	44	33,690	14,580	.03	.01	43	5.2	6.9	5.8	7.7
All Other	77,570	39,660	.07	.02	51	74,660	37,950	.07	.02	51	3.9	4.5	4.2	5.1
Shampoos	1,090,330	646,310	1.18	.28	59	1,016,250	594,000	1.14	.27	58	7.3	8.8	9.3	12.2
Medicated Shampoo	268,580	138,280	.25	.06	51	250,310	126,400	.24	.06	50	7.3	9.4	9.1	12.6
Baby Shampoo	78,190	52,450	.10	.02	67	72,870	48,650	.09	.02	67	7.3	7.8	8.1	8.5
Color Shampoo	17,250	4,010	.01	.00	23	18,060	3,900	.01	.00	22	-4.5	2.8	4.9	11.8
All Other Shampoo	726,310	451,570	.82	.20	62	675,010	415,050	.79	.19	61	7.6	8.8	9.7	12.5
Women's Hair Sprays	284,910	131,170	.24	.06	46	255,750	116,180	.22	.05	45	11.4	12.9	8.2	9.4
Waveset Preparations	18,910	5,590	.01	.00	30	18,340	5,330	.01	.00	29	3.1	4.9	-3.9	-5.1
Women's Hair Dressing & Conditioners	267,830	121,690	.22	.05	45	238,710	106,930	.20	.05	45	12.2	13.8	11.1	11.4
All Other Hair Dressings	42,970	10,730	.02	.00	25	38,570	9,570	.02	.00	25	11.4	12.1	15.3	16.6
Bobby Pins	40,940	10,560	.02	.00	26	42,960	10,800	.02	.00	25	-4.7	-2.2	3.3	4.5
Combs	134,340	14,860	.03	.01	11	126,500	13,950	.03	.01	11	6.2	6.5	6.2	6.5
Hair Brushes	260,330	82,250	.15	.04	32	277,540	86,130	.16	.04	31	-6.2	-4.5	7.3	6.2
Hair Nets	36,290	4,050	.01	.00	11	34,690	3,850	.01	.00	11	4.6	5.2	3.4	3.6
Home Permanent Kits, Refills	144,120	28,340	.05	.01	20	128,110	25,120	.05	.01	20	12.5	12.8	24.8	14.3
Pin Curl Clips	27,410	9,520	.02	.00	35	26,850	9,360	.02	.00	35	2.1	1.7	-2.2	-1.5

[37] Includes false lash adhesives, liners, brushes, tweezers, etc. Excludes lotions and washes.

[38] Excludes products sold for professional use.

—Not available. nd—No data available.

*Less than .005%.

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)	1982					1981					Percentage Change			
PRODUCTS	Value^1 of Total Domestic Consumption	Amount Spent in Grocery Stores^2	% of Non-food Sales	% of Total Store	% Gro.^{3} to Total	Value^1 of Total Domestic Consumption	Amount Spent in Grocery Stores^2	% of Non-food Sales	% of Total Store	% Gro.^{3} to Total	From '81 to '82 Total^2	From '81 to '82 Gro.^{3}	From '80 to '81 Total^2	From '80 to '81 Gro.^{3}
Health Aids	$ 2,285,850	$ 1,218,850	2.22	.53	53	$ 2,095,860	$ 1,110,120	2.12	.50	53	9.1	9.8	14.3	16.9
Baby Oils & Lotions	69,650	30,930	.06	.01	44	60,300	26,480	.05	.01	44	15.5	16.8	14.5	16.3
Baby Pants	101,350	17,050	.03	.01	17	96,890	18,000	.03	.01	19	4.6	-5.3	1.4	1.6
Baby Powder	83,500	41,970	.08	.02	50	79,750	40,910	.08	.02	51	4.7	2.6	8.2	12.7
Diaper Rash Products	26,710	13,960	.03	.01	52	23,700	12,200	.02	.01	51	12.7	14.4	—	—
Cotton Swabs	68,340	39,750	.07	.02	58	61,240	34,930	.07	.02	57	11.6	13.8	12.1	14.6
Fever Thermometers	25,780	8,430	.02	.00	33	22,400	7,210	.01	.00	32	15.1	16.9	—	—
First Aid Products	647,590	315,590	.58	.14	49	604,670	289,110	.55	.13	48	7.1	9.2	9.4	11.5
Adhesive Tape^{39A}	61,190	33,630	.06	.01	55	59,700	32,400	.06	.01	54	2.5	3.8	3.4	4.2
Cotton Balls	65,950	23,630	.04	.01	36	65,040	23,190	.04	.01	36	1.4	1.9	10.6	12.2
All Other First Aid Cotton	29,780	12,500	.02	.01	42	29,460	12,410	.02	.01	42	1.1	0.7	10.2	9.8
Gauze Bandages	39,240	9,210	.02	.00	23	36,270	8,270	.02	.00	23	8.2	11.3	9.4	10.3
Adhesive Bandages^{39B}	367,440	206,640	.38	.09	56	333,130	183,680	.35	.08	55	10.3	12.5	11.1	13.7
Gauze Dressings	44,310	9,400	.02	.00	21	41,570	8,640	.02	.00	21	6.6	8.8	7.4	9.2
First Aid Kits	39,660	20,580	.04	.01	52	39,500	20,520	.04	.01	52	0.4	0.3	5.4	6.2
Nipples & Pacifiers	23,540	10,060	.02	.00	43	20,810	8,720	.02	.00	42	13.1	15.4	7.7	8.6
Nursing Bottles	26,060	4,750	.01	.00	18	24,360	4,370	.01	.00	18	7.0	8.7	7.6	7.6
Glass	5,420	700	.00	.00	13	5,150	690	.00	.00	13	5.3	1.2	7.7	7.5
Plastic	20,630	4,050	.01	.00	20	19,210	3,680	.01	.00	19	7.4	10.1	7.6	8.9
Disposable Bottles & Liners	30,890	12,770	.02	.01	41	29,900	12,200	.02	.01	41	3.3	4.7	—	—
Sanitary Belts	6,050	2,730	.00	.00	45	6,460	2,940	.01	.00	46	-6.4	-7.3	-4.8	-4.4
Sanitary Napkins	814,320	508,790	.93	.22	62	735,610	459,200	.88	.21	62	10.7	10.8	30.6	30.9
Tampons	362,090	212,070	.39	.09	59	329,770	193,850	.37	.09	59	9.8	9.4	3.3	3.8
Personal Cleanliness Items	$ 199,320	$ 49,450	.09	.02	25	$ 195,220	$ 48,340	.09	.02	25	2.1	2.3	2.1	2.1
Bath Salts, Tablets, Oils, Bubble Bath	90,890	24,530	.04	.01	27	88,990	24,090	.05	.01	27	2.1	1.8	0.1	-0.1
Bubble Bath	43,200	15,620	.03	.01	36	42,600	15,450	.03	.01	36	1.4	1.1	-1.6	-2.9
Other Salts, Tablets, Oils	47,690	8,910	.02	.00	19	46,390	8,640	.02	.00	19	2.8	3.1	2.5	2.7
Douches	48,570	17,510	.03	.01	36	47,070	16,950	.03	.01	36	3.2	3.3	—	—
Liquid	29,190	9,520	.02	.00	33	27,910	9,060	.02	.00	32	4.6	5.1	6.3	8.6
Powder	19,370	7,990	.01	.00	41	19,160	7,890	.02	.00	41	1.1	1.2	1.3	1.5
Talcum, Body Powder	59,870	7,410	.01	.00	12	59,160	7,300	.01	.00	12	1.2	1.5	3.6	4.9
Infant Feeding Formulas	$ 863,460	$ 726,600	1.32	.32	84	$ 719,500	$ 602,750	1.15	.27	84	20.0	20.6	20.0	22.3
Hypoallergenic Formulas^{40}	193,060	163,250	.30	.07	85	157,090	132,510	.25	.06	84	22.9	23.2	20.2	24.2
Routine Infant Formulas	670,390	563,350	1.03	.24	84	562,410	470,240	.90	.21	84	19.2	19.8	20.1	21.8
Oral Hygiene Products	$ 1,824,350	$ 970,970	1.77	.42	53	$ 1,707,530	$ 889,020	1.70	.40	52	6.8	9.2	9.2	14.9
Denture Products	254,710	102,810	.19	.04	40	237,190	93,350	.18	.04	39	7.4	10.1	—	—
Denture Adhesives	118,760	42,170	.08	.02	36	109,660	37,920	.07	.02	35	8.3	11.2	14.7	16.5
Denture Cleansers	135,950	60,640	.11	.03	45	127,530	55,430	.11	.03	43	6.6	9.4	7.2	8.3
Mouthwashes, Gargles	419,540	208,570	.38	.09	50	400,320	189,950	.36	.09	47	4.8	9.8	9.1	11.2
Toothbrushes (non-electric)	229,040	72,730	.13	.03	32	209,740	64,710	.12	.03	31	9.2	12.4	9.8	10.8
Toothpaste	917,890	585,720	1.07	.25	64	857,040	539,830	1.03	.24	63	7.1	8.5	8.8	17.2
Tooth Powder	3,180	1,150	.00	.00	36	3,240	1,180	.00	.00	36	-1.9	-2.6	-2.2	-2.5
Packaged Medications	$ 6,105,710	$ 2,007,910	3.66	.87	33	$ 5,397,040	$ 1,731,890	3.31	.78	32	13.1	15.9	17.7	20.8
Acne Preparations	155,110	28,230	.05	.01	18	145,230	25,590	.05	.01	18	6.8	10.3	7.2	10.8
Athlete's Foot Medications	65,480	14,470	.03	.01	22	60,800	12,630	.02	.01	21	7.7	14.6	—	—
Antacids	344,280	165,840	.30	.07	48	321,620	152,460	.29	.07	47	7.1	8.8	—	—
Liquids	88,560	35,750	.07	.02	40	81,850	32,320	.06	.01	39	8.2	10.6	7.2	8.6
Powders	4,740	1,980	.00	.00	42	4,620	1,930	.00	.00	42	2.5	2.7	1.2	1.4
Tablets, Pills, Gums, Lozenges	93,410	49,660	.09	.02	53	87,050	45,770	.09	.02	53	7.3	8.5	12.5	16.6
Effervescent	157,580	78,450	.14	.03	50	148,100	72,440	.14	.03	49	6.4	8.3	10.4	13.2
Analgesics	1,596,480	682,410	1.24	.30	43	1,407,450	595,700	1.14	.27	42	13.4	14.6	—	—
Internal Analgesics^{41}	1,479,540	650,460	1.19	.28	44	1,295,760	566,970	1.08	.26	44	14.2	14.7	18.8	19.3
Regular Strength	531,610	224,720	.41	.10	42	476,350	201,180	.38	.09	42	11.6	11.7	19.7	20.3
Extra Strength	631,720	301,300	.55	.13	48	547,420	258,180	.49	.12	47	15.4	16.7	18.7	18.3
Pediatric	88,690	35,780	.07	.02	40	73,180	29,970	.06	.01	41	21.2	19.4	20.5	21.2
Arthritic	66,610	20,600	.04	.01	31	56,590	17,990	.03	.01	32	17.7	14.5	14.5	15.8
Menstrual	42,970	19,010	.03	.01	44	35,870	15,660	.03	.01	44	19.8	21.4	14.2	16.9
Sinus	117,940	49,050	.09	.02	42	106,350	43,990	.08	.02	41	10.9	11.5	18.5	21.4
External Analgesic Salves, Ointments, Balms	116,940	31,950	.06	.01	27	111,690	28,730	.05	.01	26	4.7	11.2	4.4	10.9
Cold Tablets, Capsules	413,720	207,230	.38	.09	50	361,010	178,490	.34	.08	49	14.6	16.1	22.0	25.0
Diarrhea Remedies	87,190	44,820	.08	.02	51	79,480	40,520	.08	.02	51	9.7	10.6	6.2	9.5
Nose Drops	9,280	1,050	.00	.00	11	8,890	990	.00	.00	11	4.4	6.3	5.1	6.6
Nasal Sprays	133,290	16,190	.03	.01	12	121,840	14,300	.03	.01	12	9.4	13.2	12.5	14.4
Cough Drops, Lozenges, Troches	282,180	63,690	.12	.03	23	263,490	60,590	.12	.03	23	7.1	5.1	14.8	15.2
Cough Drops	170,800	56,780	.10	.02	33	161,590	54,180	.10	.02	34	5.7	4.8	14.3	15.1
Lozenges, Troches	111,380	6,900	.01	.00	6	101,900	6,410	.01	.00	6	9.3	7.7	15.5	16.3
Cough Syrups, Elixirs, Expectorants	410,240	84,110	.15	.04	21	377,750	75,230	.14	.03	20	8.6	11.8	11.9	13.5
Cough & Cold Salves, Ointments^{42}	50,090	18,150	.03	.01	36	47,300	17,090	.03	.01	36	5.9	6.2	11.2	13.3
All Other Cough & Cold Items^{43}	198,640	15,020	.03	.01	8	180,250	13,470	.03	.01	7	10.2	11.5	11.4	13.7
Hemorrhoidal Medication	142,970	39,280	.07	.02	27	129,860	34,620	.07	.02	27	10.1	13.5	—	—
Suppositories	83,690	23,380	.04	.01	28	75,870	20,310	.04	.01	27	10.3	15.1	12.2	16.6
Ointments	59,280	15,900	.03	.01	27	53,990	14,310	.03	.01	27	9.8	11.1	14.6	16.1
Laxatives	462,000	100,990	.18	.04	22	444,040	93,440	.18	.04	21	4.3	8.1	—	—
Tablets, Pills, Gums	129,960	41,200	.08	.02	32	121,120	37,150	.07	.02	31	7.3	10.9	10.2	11.3
Milk of Magnesia Liquids	52,390	16,790	.03	.01	32	49,050	15,590	.03	.01	32	6.8	7.7	11.8	12.5
Milk of Magnesia Tablets	9,920	5,080	.01	.00	51	9,440	4,740	.01	.00	50	5.1	7.2	4.1	4.8

[39A] Plastic and fabric rolls and spools only.

[39B] Plastic and fabric patches, spots, strips, etc. Excludes rolls and spools.

*Less than .005% —Not available.

[40] Includes soy isolate formulas.

[41] Includes non-aspirin compounds.

[42] Excludes analgesics.

[43] Includes antihistamines, room decongestants, inhaler tubes and other inhalants.

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)	1982					1981					Percentage Change			
PRODUCTS	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[2] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]
Mineral Oil	16,490	10,850	.02	.00	51	15,630	10,120	.02	.00	50	5.5	7.2	9.3	12.5
Mineral Oil Emulsions	24,620					23,140					6.4		10.6	
Saline Preparations	10,890	1,270	.00	.00	12	10,620	1,240	.00	.00	12	2.5	2.2	2.4	2.1
Bulk-Type Laxatives	103,360	12,720	.02	.01	12	92,620	11,210	.02	.01	12	11.6	13.5	12.2	13.8
Stool Softeners	81,470	5,700	.01	.00	7	90,320	6,430	.01	.00	7	-9.8	-11.4	6.4	8.1
Other Liquid Laxatives	33,900	7,390	.01	.00	22	32,100	6,960	.01	.00	22	5.6	6.1	9.6	9.9
Lip Protectors	28,670	7,870	.01	.00	27	25,740	6,930	.01	.00	27	11.4	13.5	10.2	11.8
Suntan Lotions & Oils	207,700	35,120	.06	.02	17	193,750	33,190	.06	.02	17	7.2	5.8	21.9	23.7
Vitamins, Tonics[44]	1,161,540	411,220	.75	.18	35	918,210	313,190	.60	.14	34	26.5	31.3	32.3	37.1
Eye Lotions, Washes	87,670	37,910	.07	.02	43	83,340	35,230	.07	.02	42	5.2	7.6	10.3	14.9
Contact Lens Solutions	226,230	17,650	.03	.01	8	189,790	13,330	.03	.01	7	19.2	32.4	29.7	63.4
Sleeping Aids (non-Rx)	41,960	16,700	.03	.01	40	37,200	14,900	.03	.01	40	12.8	12.1	—	—
Shaving Products	$ 1,476,120	$ 508,320	.93	.22	34	$ 1,369,210	$ 470,640	.90	.21	34	7.8	8.0	10.7	7.7
After Shave Lotions	251,450	82,150	.15	.04	33	232,390	74,950	.14	.03	32	8.2	9.6	6.1	6.3
Depilatories	22,420	7,240	.01	.00	32	19,790	6,310	.01	.00	32	13.3	14.7	15.4	27.0
Men's Talcum	2,850	530	.00	.00	19	2,930	550	.00	.00	19	-2.6	-3.8	2.1	-3.6
Pre-Shave Products	22,560	9,150	.02	.00	41	22,100	8,910	.02	.00	40	2.1	2.7	1.4	1.5
Razor Blades	611,880	286,100	.52	.12	47	567,610	264,420	.51	.12	47	7.8	8.2	7.6	6.4
Razors[44A]	47,010	16,700	.03	.01	36	49,170	18,620	.04	.01	38	-4.4	-10.3	-1.8	-1.4
Saving Cream	191,660	84,990	.15	.04	44	174,340	76,420	.15	.03	44	9.9	11.2	19.9	15.8
Aerosol	186,800	83,940	.15	.04	45	169,360	75,350	.14	.03	44	10.3	11.4	20.8	16.1
Non-aerosol	4,860	1,050	.00	.00	22	4,980	1,070	.00	.00	21	-2.5	-1.9	-5.6	-4.7
Shaving Soaps & Sticks	3,000	1,240	.00	.00	31	4,110	1,260	.00	.00	31	-2.8	-1.6	-2.9	-2.4
Men's Cologne	322,290	20,220	.04	.01	6	296,770	19,200	.04	.01	6	8.6	5.3	19.4	8.2
Personal Deodorants, Antiperspirants	$ 926,710	$ 480,920	.88	.21	52	$ 818,600	$ 421,460	.81	.19	51	13.2	14.1	17.9	19.6
Creams	31,380	13,260	.02	.01	42	30,520	12,840	.02	.01	42	2.8	3.3	7.7	10.9
Squeeze Container Sprays	3,620	1,580	.00	.00	44	4,160	1,850	.00	.00	44	-13.1	-14.4	1.2	1.6
Liquids	5,670	230	.00	.00	4	5,540	220	.00	.00	4	2.3	2.7	4.2	4.8
Sticks	268,080	162,660	.30	.07	61	197,120	121,660	.23	.06	62	36.0	33.7	62.6	52.3
Roll-ons	289,870	125,590	.23	.05	43	281.150	120,990	.23	.05	43	3.1	3.8	14.2	22.2
Pads	770	240	.00	.00	31	930	300	.00	.00	32	-16.8	-21.0	-4.1	-10.0
Powders (excl. aerosols)	1,730	410	.00	.00	24	1,680	400	.00	.00	24	2.7	2.0	12.8	14.3
Feminine Sprays	7,800	3,720	.01	.00	48	9,110	4,420	.01	.00	49	-14.4	-15.8	-17.6	-18.3
All Other Aerosols (incl. powder)	317,810	173,230	.32	.08	55	288,390	158,780	.30	.07	55	10.2	9.1	4.3	3.3
Other Health & Beauty Aids	$ 2,592,100	$ 1,305,080	2.38	.57	50	$ 3,834,470	$ 1,930,590	3.69	.87	50	—	—	—	—
Prescriptions	**$ 15,875,720**	**$ 1,257,320**	**2.29**	**.55**	**8**	**$ 14,149,480**	**$ 1,115,630**	**2.13**	**.50**	**8**	**12.2**	**12.7**	**11.8**	**12.4**
Total HBA & Prescriptions	**$ 40,549,650**	**$ 10,700,340**	**19.68**	**4.64**	**26**	**$ 37,821,280**	**$ 10,278,950**	**19.65**	**4.65**	**27**	**7.2**	**4.1**	**11.8**	**12.2**
Bathroom Scales	**$ 113,110**	**$ 10,080**	**.02**	**.00**	**9**	**$ 98,960**	**$ 9,210**	**.02**	**.00**	**9**	**14.3**	**9.4**	**32.5**	**29.5**
Disposable Cigarette Lighters	**$ 259,310**	**$ 102,700**	**.19**	**.04**	**40**	**$ 246,730**	**$ 96,610**	**.18**	**.04**	**39**	**5.1**	**6.3**	**7.3**	**8.9**
Flashlights & Batteries	**$ 2,582,450**	**$ 372,680**	**.68**	**.16**	**14**	**$ 2,336,900**	**$ 307,340**	**.59**	**.14**	**13**	**10.5**	**21.3**	**16.0**	**18.1**
Flashlights	257,830	27,630	.05	.01	11	236,980	25,890	.05	.01	11	8.8	6.7	5.5	6.1
Batteries	2,324,610	345,060	.63	.15	15	2,099,920	281,450	.54	.13	13	10.7	22.6	7.4	19.1
Garden Seed Packets[45]	**$ 144,690**	**$ 71,860**	**.13**	**.03**	**50**	**$ 138,060**	**$ 68,110**	**.13**	**.03**	**49**	**4.8**	**5.5**	**11.4**	**9.7**
Greeting Cards	**$ 2,674,820**	**$ 267,240**	**.49**	**.12**	**10**	**$ 2,396,790**	**$ 228,020**	**.44**	**.10**	**10**	**11.6**	**17.2**	**11.3**	**19.4**
Household Glassware[46]	**$ 984,540**	**$ 137,150**	**.25**	**.06**	**14**	**$ 936,700**	**$ 131,570**	**.25**	**.06**	**14**	**5.1**	**4.2**	**12.2**	**10.8**
Beverageware	359,070	57,260	.10	.02	16	346,260	56,250	.11	.03	16	3.7	1.8	8.2	10.3
Food Prep Glassware	375,080	49,410	.09	.02	13	351,860	45,880	.09	.02	13	6.6	7.7	15.8	12.4
Tableware	113,510	24,160	.04	.01	21	111,610	23,480	.04	.01	21	1.7	2.9	11.2	8.8
Ornamental & Novelty Glassware	136,870	6,310	.01	.00	5	126,970	5,960	.01	.00	5	7.8	5.9	14.7	10.6
Housewares, Other[47]	**nd**	**$ 2,904,760**	**5.29**	**1.26**	**nd**	**nd**	**$ 2,798,420**	**5.35**	**1.27**	**nd**	**nd**	**3.8**	**nd**	**14.9**
Magazines[48] & Newspapers[49]	**$ 6,532,610**	**$ 1,011,030**	**1.84**	**.44**	**15**	**$ 6,187,590**	**$ 979,320**	**1.87**	**.44**	**16**	**5.6**	**3.2**	**8.8**	**9.2**
Comics, Children's Magazines, Coloring Books	321,940	688,870	1.26	.30	36	317,490	676,690	1.29	.31	37	1.4	1.8	9.2	9.3
Other Magazines[50]	1,598,700					1,531,320					4.4		11.5	
Grocery Store Distributed Magazines[50A]	183,310	168,450	.31	.07	92	167,870	153,000	.29	.07	91	9.2	10.1	14.2	15.3
Newspapers	3,098,490	36,990	.07	.02	1	2,876,960	34,190	.07	.02	1	7.7	8.2	9.5	11.2
Paperback Books	1,330,180	116,710	.21	.05	9	1,293,950	115,440	.22	.05	9	2.8	1.1	3.6	1.3
Motor Oil & Additives[50B]	**$ 1,267,540**	**$ 268,590**	**.49**	**.12**	**21**	**$ 1,263,080**	**$ 267,170**	**.51**	**.12**	**21**	**0.4**	**0.5**	**12.3**	**18.9**
Motor Oil	1,099,940	239,420	.44	.10	22	1,096,650	238,230	.46	.11	22	0.3	0.5	12.6	19.7
Motor Oil Additives	167,600	29,170	.05	.01	17	166,430	28,940	.06	.01	17	0.7	0.8	10.6	13.1
Pet Accessories	**$ 1,691,080**	**$ 572,730**	**1.04**	**.25**	**34**	**$ 1,647,580**	**$ 537,240**	**1.03**	**.24**	**33**	**2.6**	**6.6**	**8.2**	**9.7**
Cat Litter	275,160	200,180	.36	.09	73	247,220	179,370	.34	.08	73	11.3	11.6	17.2	17.7
Other Pet Accessories	1,415,910	372,560	.68	.16	26	1,400,360	357,870	.68	.16	26	1.1	4.1	6.8	6.0
Grooming Aids	57,480	11,890	.02	.01	21	55,970	11,550	.02	.01	21	2.7	2.9	7.1	9.9
Feeding Bowls	10,860	2,790	.01	.00	26	10,360	2,610	.00	.00	25	4.8	6.9	—	—

[44] Total consumption excludes doctors' prescriptions and sales at equivalent retail prices to hospitals. Total vitamin market estimated by industry sources at $1.5 billion in 1980.

*Less than .005%.

—Not available.

[45] Flower and vegetable seeds. Packets only.

[46] Machine-made only.

[47] Excludes machine-made glassware shown above.

[48] Newsstand sales of weekly and monthly periodicals, digest size books, children's books, children's color books, pocket-size fiction.

[49] Spending for newspapers in all outlets, includes newsstand sales plus home deliveries and mail subscription.

[50] Excludes magazines distributed primarily in grocery stores.

[50A] Magazines distributed "primarily" through grocery stores.

[50B] For non-commercial vehicles only.

SPENDING FOR GM/HBA—continued

(add 000 to all dollar figures)

PRODUCTS	1982					1981					Percentage Change			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[3] to Total	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Non-food Sales	% of Total Store	% Gro.[3] to Total	From '81 to '82 Total[3]	From '81 to '82 Gro.[3]	From '80 to '81 Total[3]	From '80 to '81 Gro.[3]
Flea Collars, Etc.	247,660	160,190	.29	.07	65	240,680	155,070	.30	.07	64	2.9	3.3	4.3	2.1
All Other Accessories[51]	1,099,910	197,700	.36	.09	18	1,093,350	188,640	.36	.09	17	0.6	4.8	7.3	9.2
Phonograph Records	$ 1,872,140	$ 162,950	.30	.07	9	$ 1,819,360	$ 157,290	.30	.07	9	2.9	3.6	9.1	10.8
Photo Supplies & Processing	$ 4,811,350	$ 713,970	1.30	.31	15	$ 4,486,750	$ 614,480	1.17	.28	14	7.2	16.2	4.8	12.7
Film[51A]	1,406,980	456,790	.83	.20	32	1,281,400	381,610	.73	.17	30	9.8	19.7	5.9	16.8
Processing	2,710,980	186,660	.34	.08	7	2,519,500	155,030	.30	.07	6	7.6	20.4	4.3	3.7
Flash Bulbs & Cubes	693,390	70,520	.13	.03	10	685,850	77,840	.15	.04	11	1.1	-9.4	1.3	-16.3
Playing Cards	$ 182,050	$ 25,090	.05	.01	14	$ 183,150	$ 25,190	.05	.01	14	-0.6	-0.4	—	—
Shoe Laces (replacements)[52]	$ 48,090	$ 27,500	.05	.01	57	$ 43,210	$ 25,530	.05	.01	59	11.3	7.7	4.5	5.1
Stationery	$ 552,530	$ 116,250	.21	.05	21	$ 519,970	$ 113,170	.22	.05	22	6.3	2.7	12.1	5.6
Packaged Paper, Envelopes	74,710	21,350	.04	.01	29	73,100	20,990	.04	.01	29	2.2	1.7	6.2	2.3
Writing Tablets, Pads	230,400	63,350	.12	.03	27	211,570	61,090	.12	.03	29	8.9	3.7	11.4	6.2
Notebooks	91,890	15,800	.03	.01	17	86,610	15,610	.03	.01	18	6.1	1.2	20.8	4.4
Looseleaf Fillers	155,530	15,760	.03	.01	10	148,680	15,480	.03	.01	10	4.6	1.8	11.5	5.3
Sunglasses	$ 883,090	$ 63,240	.12	.03	7	$ 853,230	$ 60,690	.12	.03	7	3.5	4.2	18.2	18.4
Toys[53]	$ 8,436,830	$ 187,240	.34	.08	2	$ 7,361,980	$ 174,660	.33	.08	2	14.6	7.2	19.7	9.8
Vacuum Bottles, Jugs	$ 300,800	$ 39,360	.07	.02	13	$ 296,840	$ 38,790	.07	.02	13	1.3	1.5	13.0	9.4
Vacuum Bottles	198,870	22,570	.04	.01	11	196,120	22,210	.04	.01	11	1.4	1.6	14.4	17.6
Insulated Jugs	101,930	16,800	.03	.01	16	100,720	16,580	.03	.01	16	1.2	1.3	10.2	11.1
Women's Hosiery	$ 3,231,590	$ 601,930	1.10	.26	19	$ 3,101,110	$ 584,920	1.12	.26	19	4.2	2.9	11.6	9.5
Panty Hose	3,058,770	592,320	1.08	.26	19	2,921,460	574,510	1.10	.26	20	4.7	3.1	12.6	9.7
Stockings	172,820	9,610	.02	.00	6	179,650	10,410	.02	.00	6	-3.8	-7.7	-2.0	-0.7
Men's Hosiery	$ 1,139,700	$ 41,650	.08	.02	4	$ 1,031,400	$ 38,110	.07	.02	4	10.5	9.3	8.3	14.9
Men's, Boys' Underwear	nd	$ 81,510	.15	.04	nd	nd	$ 73,700	.14	.03	nd	nd	10.6	nd	14.1
Writing Implements	$ 764,760	$ 86,220	.16	.04	11	$ 712,060	$ 80,410	.15	.04	11	7.4	7.2	9.4	4.1
Ballpoint & Fountain Pens	334,420	42,630	.08	.02	13	302,370	38,160	.07	.02	13	10.6	11.7	9.7	4.1
Ballpoint Refills	52,700	4,860	.01	.00	9	48,890	4,490	.01	.00	9	7.8	8.2	8.5	5.2
Broad Tip Markers	64,710	4,990	.01	.00	8	60,870	4,810	.01	.00	8	6.3	3.8	8.8	1.9
Fine Line Porous Pens	216,240	26,140	.05	.01	12	207,520	25,780	.05	.01	12	4.2	1.4	10.4	5.1
Mechanical Pencils	30,470	4,530	.01	.00	15	27,670	4,130	.01	.00	15	10.1	9.6	—	—
Woodcased Pencils	66,230	3,080	.01	.00	5	64,740	3,040	.01	.00	5	2.3	1.2	5.8	1.3
General Merchandise n.e.c.[54]	nd	$ 5,732,800	4.50	2.49	nd	nd	$ 5,767,560	10.30	2.61	nd	—	—	—	—
Total Other General Merchandise[54A]	nd	$ 13,598,520	24.79	5.90	nd	nd	$ 13,317,020	25.46	6.03	nd	nd	2.1	nd	6.0
Total General Merchandise[55]	nd	$ 24,298,870	44.29	10.54	nd	nd	$ 23,456,460	44.84	10.61	nd	nd	1.7	nd	8.6
GRAND TOTAL	nd	$230,641,000	nd	100.00	nd	nd	$221,021,000	nd	100.00	nd	nd	4.4	nd	9.3

[51] Excludes pet foods (listed under grocery products) but includes treats, leashes, cages, trays and other pet accessories not listed.

[51A] Excludes movie film.

[52] Dress, work, and athletic shoes and boots. For replacement only.

[53] Excludes sporting goods and apparatus.

[54] Not classified elsewhere.

[54A] Excludes HBA and Prescriptions.

[55] Includes prescriptions and other health and beauty aids.

nd—No data available. *Less than .005%.

**As reported by U.S. Dept. of Commerce.

Grocery Stores Show Lowest Percentage Sales Gain in Two Decades

Continued from page 31

The Consumer Price Index for dairy products rose only 1.4 percent in 1982. Among the reasons were federal legislation, which kept the price support at $13.10/hundredweight; smaller marketing cost increases; expanded milk production; and lower grain prices. Per capita consumption of fluid milk products decreased from 243 to 238 pounds. Ice cream showed a slight increase of 0.3 percent, to 17.7 pounds per capita.

Fresh fruit and vegetable crops were both affected by climatic conditions, but vegetable production rebounded later in the year and prices averaged only 0.5 percent higher than in 1981. Fresh fruit prices were up by 11.1 percent, due to production problems for citrus and non-citrus products. Bananas, still the most popular fresh fruit, increased in per capita consumption from 21.5 to 22.6 pounds. The freeze in Florida and the smaller California orange production affected citrus consumption, with a slight drop from 25 pounds to 24.8 pounds. Vegetable consumption increased from 145.2 pounds per person in 1981 to 150.0 pounds in 1982.

Sugar and sweets prices were down by 0.2 percent at retail in 1982 as global production exceeded consumption by 10 million tons. Sugar prices in the United States would have fallen much more dramatically without the help of a sugar price support program that placed duties, fees and quotas on sugar imports.

The U.S. Department of Agriculture reports that per capita consumption of caloric sweeteners was down to 124.9 pounds from 125.5 pounds. Per capita consumption of sugar, which accounted for 75.5 percent of consumption in 1975, was down to 60.3 percent in 1982, while high fructose corn syrup increased from 14.9 percent to 21.4 percent. Refined sugar per capita consumption dropped from 79.5 pounds to 75.3 pounds, while sales dropped by 8.9 percent. Corn sweeteners rose to 60 pounds from 55 pounds.

Soft drink prices were also affected by cheap sugar and by increased use of corn sweeteners. The price of non-alcoholic beverages rose only 2.8 percent in 1982. Coffee and peanut butter were two turnaround products, showing reversals of 1981 sales. Although per capita consumption of roasted coffee declined from 7.7 to 7.5 pounds, 1982 sales were up 4.4 percent compared with a minus 19.5 percent last year. In 1981, the Consumer Price Index for roasted coffee was −17.1 percent versus +2.9 percent in 1982. Peanut butter, up 33.9 percent in sales in 1981, was down 7.4 percent in 1982. The 1981 Consumer Price Index was 41.3 percent against −11.3 percent in 1982.

KING SOUR	0.89
WR VEGETABLE	0.49
WR PEAS	0.63
FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

PET NEEDS

"Moist" is the choice of many pet food buyers, as that new kind of food helps spur sales in the category. Also doing well: low-cost generics and private label brands.

Moist blend pet foods appear to have found a permanent home on retailers' shelves as buyers from Maine to California had high praise for this new breed of product. Overall sales for the category rose to $4.6 billion, up 5.1 percent for the year.

"The new formula dog foods like Praise and New Breed are doing very well," says a spokesperson for Stater Brothers (Colton, Calif.). "And the soft moist cat foods are doing well—like Happy Cat."

"The soft moist blends are doing very well," adds Falley's (Topeka, Kan.) general manager, Ed Alberg. "It's a better quality of dog food and there is no question of the convenience. I think the consumers think they're giving their pets meat at the price of cereal. But the pets must be eating it, because it's continuing to sell."

At Minyard Food Stores (Coppell, Texas), buyer Doug Roden believes the new blends "will end up being a viable item" in his pet food mix. "But they're not cheap, they're between can and dry," he says, but then adds, "When it comes down to the bottom line though, if the pet will eat it, the consumer will buy it."

That seems to be the case in Maine as well, where John Michaels, buyer for Hannaford Brothers' 73 stores says the three new products "seem to be accepted by the customer. And they're being repurchased so they're being eaten by the pets. They *are* more expensive than dry, but not as expensive as canned."

Bruno's Blaine Prinkey cites the price point as the main reason for Happy Cat's "slow start" in his market. "This is a different market," he says of the 63 stores based in Birmingham, Alabama, "more conservative than most. But we roll with the promotions and try everything that comes along."

New products

Ray Kaplan, buyer for the 41 Shaw's Supermarkets (East Bridgewater, Mass.), noted the "tremendous number of new product introductions" in the category in 1982, but picked Praise, New Breed and Happy Cat as the leaders. He also noted the increase in manufacturer promotions. "The gimmicks are doing very well," he says, referring to the coupons for free four-pound bags of both Praise and New Breed. "The introductory offers have been great, like with the free bags. How can they not do well?"

"We're seeing more promotions, more coupons," reports a spokesperson for a large Southern chain. "Everyone is using them. Everytime you go into a store you see a shopper with a big stack of coupons. People are trying to save every penny they can, and coupons are one way to do it."

One buyer attributed the increased promotional efforts to increased competition. "The couponing is increasing as the prices increase," reports Tom Jarvis at H.E. Butt Grocery (Corpus Christi, Tex.). "I don't know if the pie is as big as it used to be and manufacturers are trying to maintain their share of it. Business is not the greatest anywhere, and so the manufacturers are promoting more."

The competition appeared to take its toll as all the buyers report one item dropped for every item added. Slow moving flavors of pet foods were dropped to pick up the new entries, but more than one buyer commented that the "sacred cow" went untouched: Purina Dog Chow was consistently cited as the number one selling branded dog food.

The new competition is forcing buyers to constantly assess their product mix and try new merchandising tactics in what space they have.

"We added four shelf feet and then played with the space," reports Blaine Prinkey at Bruno's. "Spacewise we've grown leaps and bounds in the eight years I've been in this department, but in the last year we haven't added any linear store footage."

"We cannot increase shelf-space," says Shaw's Ray Kaplan. "We have tremendous runs now—up to 60 and 80 linear feet. If we have to add an item, we have to drop one." What does he drop? "We'll drop a size or a flavor of a slow mover. We just try to keep the balance the same."

"We made room for the new entries by trimming other items," says Tom Jarvis at H.E. Butt. "I took out one line in dog food. I have nothing slow left in the mix."

At Hannaford's, buyer John Michaels dropped "whatever was weakest—which varied considerably from store to store." He dropped slow movers, particularly in canned cat foods, to create four linear feet "to take advantage of the soft-moist market. The only new entry in canned cat food—which isn't really new—is Fancy Feast, which is really doing well. But then," he adds, "it is unique."

Generics do well

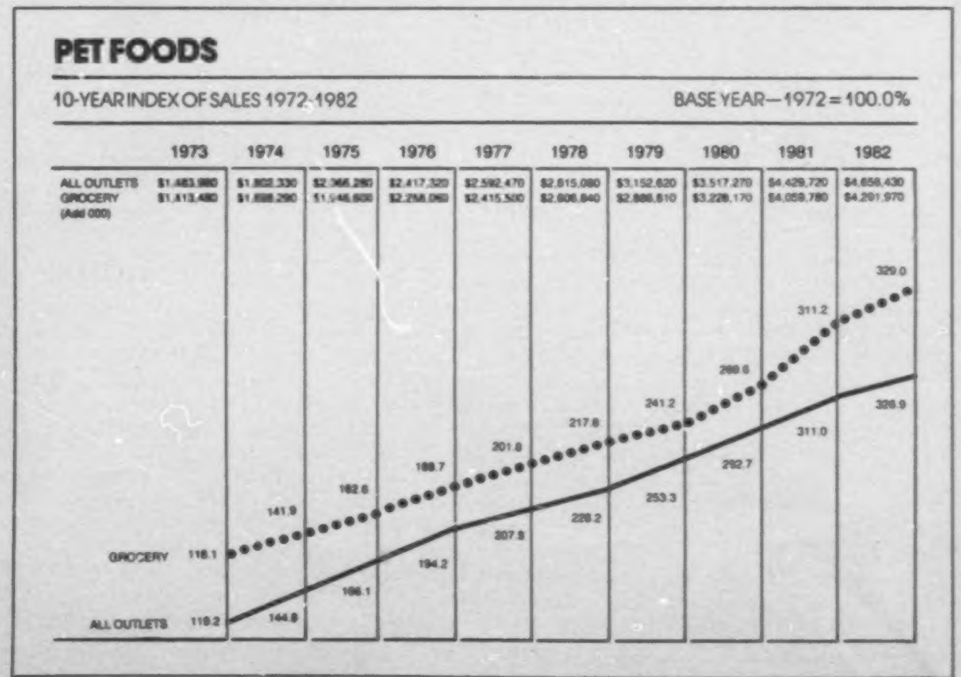
As for generics, they continue to do well.

"From all indications, generic dog food is doing terrific," reports the buyer for a large Southern chain. "The 25-pound bag is doing excellently. It hasn't dropped in volume. As a matter of fact, the whole generic line is maintaining its share."

"Generics are still on the upswing here," says Bruno's Blaine Prinkey. "We didn't get into them until late last year, so I'm still cultivating my customers, still stealing customers from the brands."

Tom Jarvis at H.E. Butt attributes the healthy sales in generic dog food to its price value.

Continued on page 76



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WR VEGETABLE    0.49
WR PEAS         0.63
  FRZN FD       0.59
    2@       0.99
  GROCERY       1.98
MR CLEAN TRL    0.39
A&H BAK SODA    0.59
AJAX  14OZ      0.49
FOLGR COFFEE    2.59
CLAM SAUCE      0.89
TOTAL          23.33
TAX-1           0.21
TOTAL          23.33
CASH TND       30.00
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SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

CEREALS

Healthful was in with cereals last year, and so were gimmicks. High-sugar cartoon-character entries spurred good sales, as did the high-fiber nutritious offerings. And raisins seemed to be in everything.

There was a deluge in 1982 of new entries and reformulations in the cereal category, as there has been in most years.

This greater variety, combined with a widespread consumer willingness to periodically attempt to inject some new life into the day's first meal, gave cereal sales a slight boost over those of the previous year.

In 1982, two general trends dominated both new introductions and overall sales. First, the movement toward more nutritious, "health" cereals, which began in the Seventies, continued to flourish. And, second and somewhat paradoxically, a large number of new high-sugar children's cereals, especially those linked with a highly visible cartoon or video game figure, also fared well.

Although it is generally agreed that natural cereals continue to hold a large share of the market, retailers and manufacturers are far from in agreement when discussing the future direction of cereals.

Raisins in everything

Granola cereals are not as popular today as a few years ago (although breakfast bars, many of them granola-based, thrive), but sales of nutritious flake cereals continued to grow. Last year's big extra ingredients were fiber and raisins. As one cereal buyer merchandiser exclaimed: "They've put raisins in everything!" pointing to such cereals as Kellogg's Nutri-Grain Wheat and Raisins (which replaced the unsuccessful rye and barley varieties), General Foods' Raisin Grape Nuts and Honey Nut Raisin Bran and Nabisco's most recent entry, Toasted Wheat and Raisins.

Richard Doty, buyer merchandiser for H.E. Butt Co. (Corpus Christi, Tex.) found such raisin cereals "a benefit to the department," and predicted that the "health" segment of the cereal category would continue to grow.

Right now, though, it's hard to say in which direction. A spokesperson for Vons Grocery Co. (El Monte, Calif.) voices the opinion of several grocers: "The continued success of health cereals will to a great degree depend upon what the manufacturers offer."

At this time the manufacturers are experimenting with several possible product lines. Responding to what Bill McKnight, president, Nabisco Brands Grocery Products Division, recently termed the "significant increase in consumer awareness of the connection between good nutrition and good health," manufacturers are continuing to cut back on various additives.

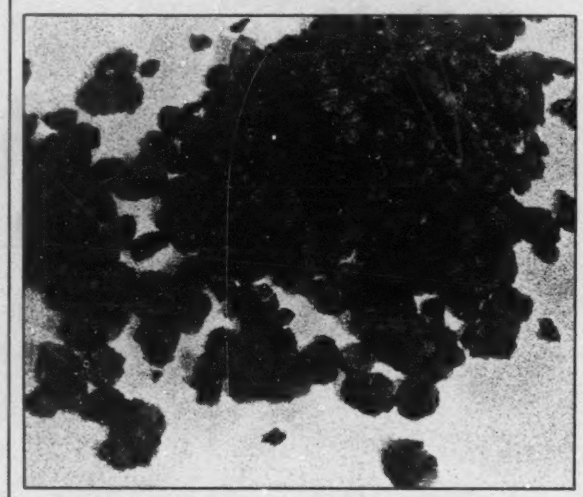
Kellogg is currently test-marketing a Low Sodium Cereal Pack in the Florida, Pittsburgh, Cleveland and the Baltimore-D.C. markets. Composed of two packages of Low Sodium Corn Flakes and two of Low Sodium Rice Krispies, the pack is aimed specifically at those on salt-restricted diets and is available to food services nationwide. Kellogg also recently reformulated Most to eliminate salt. And Nabisco has jumped on the low sodium bandwagon with Toasted Wheat and Raisins, the only cereal with no added sugar and no added salt.

Taste affected

Sodium in cereals, however, accounts for only 1.9 percent of the average American's sodium intake, and many retailers are skeptical of the success of any cereal that may try to succeed under the low sodium banner alone. Furthermore, according to several cereal company spokespeople, removing salt from their products is difficult if taste is to be maintained.

Sugar content, however, appears to be a different story. The popularity of many of the health cereals is believed to stem in part from a growing concern over sugar intake.

One response to this concern, Quaker Oats' Halfsies, achieved national distribution toward the end of 1982. Halfsies is the first—and at present only—cereal to be sweetened with aspartame (NutraSweet); it contains only half the sugar of most other children's cereals. While sales have not been spectacular, retailers do report that the product is doing well. H.E. Butt's Doty believes the Halfsies will be very successful eventually, if it can gain a readily recognized identity through improved advertising.



Also on the reduced sugar front: General Mills' Cherios campaign, which boasts: "We make Cherios low in sugar. Kids made Cherios Number One." Cherios is the leading cereal brand in dollar sales.

High sugar

The majority of children's cereals, however, cannot make these low sugar claims. The 1982-1983 success stories are, for the most part, high in sugar. Announced by a variety of cartoon and video game heroes, the Year of the Gimmick Cereal is now in full swing. Recent entries that exploit the popularity of their namesakes include: Strawberry Shortcake, Pac-Man, Smurf-Berry Crunch and Donkey Kong. Their overall success has given category sales an unexpected push.

The hands-down winner in this group is General Foods' Smurf-Berry Crunch, introduced earlier this year. Larry Zettle, sr. vice president, grocery merchandising and procurement at A&P (Montvale, N.J.) explains why: "General Foods did a super job. The timing was right, the packaging good. . . ." And undoubtedly the Smurfmania rampant among Saturday morning cartoon-watchers had something to do with it, too.

The question is whether these gimmicky, sugary cereals are to continue riding high, or whether their success is more of the shooting star variety.

Many people—both retailers and manufacturers—feel that the future trend of children's cereals will be toward greater nutrition and less sugar, echoing changes that have occurred in the adult market. The wave of the future may follow the path being laid by Cherios and Halfsies: reduced sugar, nutritious cereals that are also fun to eat.

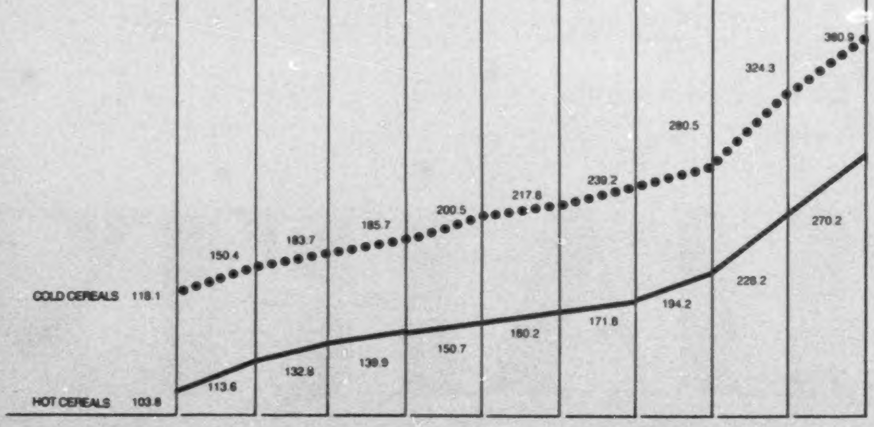
Sales of the category's old standards, such as Kellogg's Corn Flakes and General Foods' Post Toasties, remained steady and unspectacular last year, with some regional fluctuations reported. While Richard Doty

Continued on page 76

CEREALS

10-YEAR INDEX OF GROCERY SALES 1972-1982 BASE YEAR—1972 = 100.0%

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
COLD CEREALS	$927.250	$1.181.320	$1.442.390	$1.458.260	$1.574.920	$1.710.380	$1.877.980	$2.202.870	$2.546.520	$2.834.280
HOT CEREALS (Add 000)	$133.730	$ 146.570	$ 171.190	$ 180.260	$ 194.320	$ 208.560	$ 221.430	$ 250.440	$ 294.270	$ 348.420



Cereals

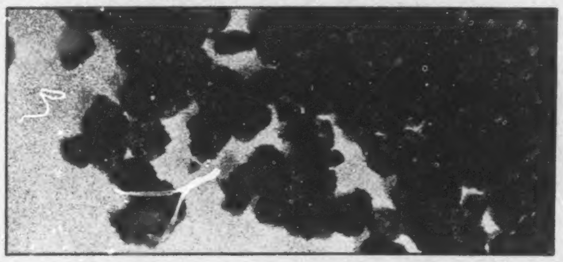
Continued from page 74

(H.E. Butt) found that they were "not doing enough in the way of holding their share," Larry Zettle (A&P) believes that sales rose slightly as consumers returned from forays into new cereal territory, having deemed the old reliables a better buy.

A moderate price increase in 1982 neither harmed cereal sales nor helped the growth of generics and private labels. Most retailers agree that consumers still view cereals as a more economical—and convenient—alternative to other traditional breakfast foods.

Vons, which introduced four varieties of generic cereals in 1982, found that sales, according to one spokesperson, "have not been as good as expected." He attributes this to a certain degree of brand loyalty displayed by cereal consumers.

But for Marsh Supermarkets, Inc. (Yorktown, Ind.) generics, displayed on the cereals gondola, have proved a success. The chain currently offers six varieties, the quality of which is, according to James Beedle, buyer merchandiser, "as good as national brands in most cases." Beedle believes his customers are always "shopping for a bargain," and view generic cereals as such.



A moderate price increase in 1982 neither harmed nor helped the growth of generics and private labels.

Moving along a warmer front, sales of hot cereals achieved only a minor increase over the previous year. Predictably, sales peaked during the winter months, when several retailers reported that Quaker's Instant Oats fared especially well and often at the expense of the company's Standard Oats. One retailer noted that the new flavors, repackaging and increased number of envelopes per box of Instant Oats, had added new zest to the hot cereals category as a whole.

One area in which hot cereals do well all year round is, of course, the South. As a spokesperson for Bi-Low, Inc. (Mauldin, S.C.) stated: "In our part of the country, grits are not a cereal: they're a staple."

Advertising and promotions

Retailers across the country gave cereal manufacturers high marks overall for product advertising and promotion, especially during a cereal's introductory campaign. The tremendous media boost that new cereals receive makes it "difficult to avoid (carrying) new products," Zettle of A&P feels.

One problem that occasionally arises is product shortage. For instance, Bi-Low found itself without adequate supplies of Smurf-Berry Crunch during the height of the product's introductory blitz. When such a shortage occurs, says Mary Stone, manager consumer and community relations, "people don't blame GM or Kellogg, they blame Bi-Low." The store dealt with the shortage by issuing rain checks.

Advertising after the introductory stage, though generally acceptable, sometimes leaves the retailer without "the support necessary to make the product fly," claims Zettle.

Retailers are cutting back on the number of package sizes carried and manufacturers are also taking note.

Category advertising and promotions that originate in the store usually depend on what manufacturer deals are currently available. How much is advertised and how often varies from chain to chain, often depending upon the chain's self-image.

Although cereal advertising and special displays do result in increased sales, several retailers admit that the category doesn't receive the promotional activity it should. The reason: a lower-than-average profit margin, which makes advertising of other categories more lucrative.

By the same token, very little cross-merchandising occurs in the cereal aisle. Plastic bowls and spoons, children's books are generally the extent of such activity—when it happens at all.

One time when heavy promotion does pay off is during an item's introductory period. To take full advantage of the promotional dollars spent on a new cereal, Vons buys and displays large amounts of the new item. A company spokesperson says this approach—new for the chain—has worked "quite well," and that the store will continue to use it.

Despite the seemingly unending flow of new cereals, retailers, for the most part, have not increased shelf space. New products often take the place of category losers: Chocolate Donutz, Waffalos and Ralston Purina's Honey Bran were among those dismissed from various grocers' shelves in 1982.

Another alternative, less lethal and more common, is the reduction of the number of package sizes actually carried. Marsh, for instance, carries only one size of each cereal in most cases.

Sometimes store remodeling and expansion allow for shelf increases. Richard Doty of H.E. Butt explains that while no shelf space was added in most stores, those that were remodeled were given increased shelf space for all product categories.

Manufacturers, too, recognizing shelf space limits, are cutting back. Beginning last spring, Kellogg reduced the number of package sizes from 13 to six. A spokesperson for General Foods believes that the future trend will be toward just two sizes: 32-ounce and 10-12-ounce packages. And although the company has no current plans to reduce the variety of package sizes so drastically, a General Mills spokesperson states that the 13-ounce size "has been found to best meet the broad range of consumer demands."

These consumer demands continue to change as consumer demographics change. The growing number of single-person households simply do not need the previously-popular "family-size" packages. Purchasing smaller packages also allows a multi-person household greater variety in breakfast foods. Instead of buying one large pack, shoppers often purchase two or more smaller packs of different cereals.

So, too, has the continuing flow of working mothers kept cereal sales strong. Seeking a fast, convenient and nutritious breakfast for their "baby boomlets," these time-conscious women naturally turn toward various cereals.

Given this great consumer diversity, the cereal category's future direction must be similarly diverse. And if the trend of the past decade continues—and by all indications it will—the continuous influx of new products, accompanied by vigorous advertising, ensures cereals a stable sales future. ■

BY MARIANNE SKOCZEK

Pet Needs

Continued from page 70

To cash in on that, Minyard's expanded low-end lines to "pick up sales from the generics," says Doug Roden. By adding an extra shelf and tightening the mix, Roden estimates he gained 20 percent in shelf-space over the last year in his 52 stores.

Generics are doing well at Bruno's too, says Blaine Prinkey, and the chain is also extending its low-end lines, as a result. "I think the lower-price dog foods are taking hold because of the generics. Take Purina's lower-priced Mainstay. I think the manufacturers have seen the writing on the wall and realize that price has a lot to do with it."

Private label tops

Elsewhere, buyers report that the name brands fall behind the lower-end regional and private label lines. "Our private label is the lowest price and it's the number one selling dog food here," says Hassan Tedmori at the 49-store Boys Market (Los Angeles).

Many buyers indicated a general trend toward larger sizes—both in package and dog alike. "I'm probably selling more large sizes because people here have large dogs," says Hannaford's John Michaels. H.E. Butt's Tom Jarvis and the buyer for a large Southern chain also report the same trend.

"Big dogs, like German Shepherds and Dobermans, are getting awful popular around here," says Mel Glover at Fred W. Albrecht Grocery (Akron, Ohio). "People are using them to protect their property." The result? Sales of rawhide products are up.

Overall, despite the higher prices, pet products continue to sell. Concludes Glover, "People are still spending a lot of money on their pets." ■

BY JANICE T. RADAK

GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.[illegible]
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS

36TH ANNUAL

CONSUMER EXPENDITURES STUDY

SEPTEMBER 1983

Consumers who have not been in residence on another planet will know by now that upscale frozen dinners and entrees like Le Menu and Lean Cuisine have taken supermarket freezers by storm.

Retailers are thrilled. In a working couple environment, in which supermarkets were counting fast food restaurants as their biggest competition, upscale items are making it attractive to eat in again, say buyers. The high price tag, from $2 to $3.50, is offset by the ease of preparation. A light dinner can be ready in under 10 minutes with a microwave.

The biggest drawback to date has been the difficulty in keeping the products in stock—they are *that* hot.

Still hurting, though, are the old economy frozen dinners and sweets, the latter damaged by what some buyers consider highpricing and by in-store bakeries.

FROZEN FOODS

Vegetables remain stable, buttressed by new combination intros and strong promotion support from manufacturers.

Upscale frozens

The popular Lean Cuisine from Stouffer started for the diet-conscious, and was often paired with the diet pioneer Weight Watchers, not a glamour item.

When Lean Cuisine crossed over into the "gourmet" category it often pulled Weight Watcher's sales with it. A number of stores found themselves creating entire dinner sections, with Le Menu and Armour's Gourmet Classics flanking Lean Cuisine on one side and more diet-conscious entrees like Weight Watchers on the other.

"The hottest thing in our frozen foods section is Stouffer's Lean Cuisine," says Wilbur Lockhart, owner/manager, Son's Supermarket, (Jasper, Ariz.). "It falls right into the diet category but the surprising thing is that when Stouffer's was doing its market research they found that other people liked it too. We can't keep it in the case. The warehouse can't keep it in stock. Stouffer's is three months behind in production."

It was this lag in production time that led other companies to jump into competition, suggests Elmer Peterson, corporate vice president in charge of merchandising and advertising for Gerland's Food Fair (Houston, Tex.), an 18-store operation.

Upscale frozen entrees are the biggest item in frozen foods right now, and some quality "diet" products are crossing over into "gourmet"

He attributes the success of Lean Cuisine and Le Menu to the upgraded quality and the availability of microwave ovens for fast home food preparation.

"We'd lost a lot to fast food establishments. But people are tired of the everyday hamburger and pizza now. They are willing to pay more if they get more nutrition and better quality. They are willing to pay twice the price for something different versus the mediocre frozen dinners they were formerly offered," he stated.

Faster preparation

New homes being built in his area mostly come equipped with a microwave. And a bonus to the microwave user is that these meals come in reusable microwave servers.

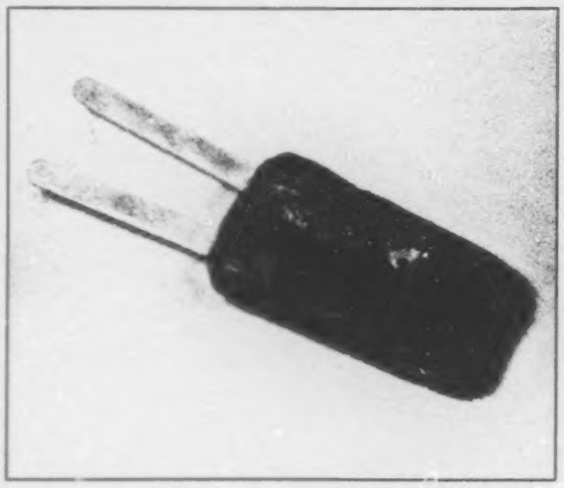
Ron Etzkorn, supervisor for grocery, dairy and frozen foods, Food Circus Supermarkets (Middletown, N.J.) joined the chorus of pleased frozen food buyers. "We moved Weight Watchers, Lean Cuisine and Lean Line dinners into a special diet section and we saw increased sales all around.

"We also are in the process of making a gourmet dinner section, to merchandise all the higher priced dinners together, including Le Menu by Campbell and Armour's Dinner Classics."

The large adult and singles component in the customer population served by the 123-store Ralphs chain (Compton, Calif.) helps to support the phenomenal success the stores are enjoying with upscale dinners, according to frozen foods buyer, Mark Hannay.

Joining the dinners in popularity are Pepperidge Farm Delis and vegetables in pastry.

Hannay feels that these products offer "for the first time, an alternative to eating out. Often the consumer who says, 'I can afford it. It is acceptable,' is part of a two-income family. With adults and singles making up a large component of buyers you have people eating different foods at different times.



"Once they get into frozen foods, they might eat them more often. Singles might eat them several times a week. A large number of singles, especially male shoppers, don't cook, but they can now have a meal at home without spending the whole evening doing it."

While there is still some market for the economy dinners, Hannay feels that it is "flat." His chain has dropped a number of them to make way for the high profit upscales. Among economy dinner makers, Banquet is striving to improve some pot pies and modify its image by changing its product name from Man Pleasers to Extra Helping, said Hannay.

As in other chains, the success of Lean Cuisine at Ralphs boosted lagging Weight Watchers' sales, reported Hannay. "At first Weight Watchers did poorly. Lean Cuisine has helped Weight Watchers to continue to grow. Lean Cuisine is going after not only dieting consumers. It is positioning itself to go after the 'Perrier' consumers."

Ralphs now puts all "diet" products together. The manufacturers sought brand blocks at first, but found that the category method worked better.

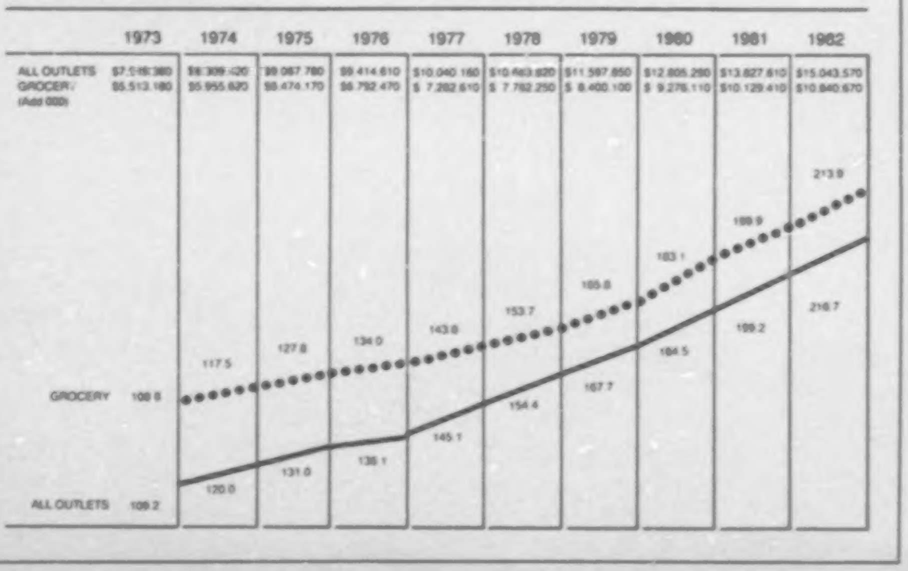
Pleased with the success it has had with Lean Cuisine, Ralphs consistently tries to get the jump in new product introductions.

"We bought eight of the 10 Lean Cuisine products versus our competitors' buying only four. This has paid

Continued on page 82

FROZEN FOODS

10-YEAR INDEX OF SALES 1972-1982 BASE YEAR—1972 = 100.0%



BABY NEEDS

1.05LB@	1.19
CHERRIES	1.25
FRZN FD	2.49
AJAX DETG	1.39
PEBBLES COCO	1.89
KING SOUR	0.89
WR VEGETABLE	0.49
WR PEAS	0.63
FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET
BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

The continuing climb in births is producing a miniheyday among baby needs manufacturers.

In 1982, a full 40 percent of births were to first-time mothers with first-time needs (much more money is spent equipping the first child than subsequent siblings). For the retailer, this translates into more sales per child multiplied by more children.

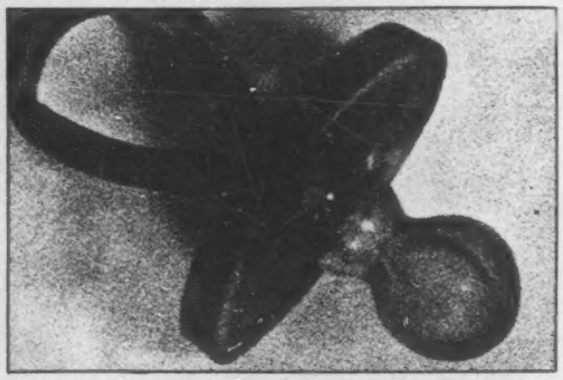
Gerber introduced its "Chunky" line in 1982; these six ounce jars of meat and noodle or vegetable casseroles, desserts and fruits are selling at a remarkably fast clip. Originally consisting of nine items—six entrees and three desserts—their tremendous acceptance has prompted quick expansion, with other entrees and sweetened fruits. This line was introduced with a massive campaign in national magazines such as *Parents* and *Good Housekeeping*.

More textured and more highly flavored than the strained foods, the target consumer is the toddler making the transition from baby food to adult table food. Retailers are finding, however, that the market is even bigger than that: many elderly people (especially those living alone) use them as a convenient, tasty, inexpensive casserole for occasional dinners. Marilyn Lee, a Minneapolis mother of an 18 month-old child, who also cares for her 70-year-old mother, uses them frequently: "Travis loves them and they're an easy way for me to provide Mom with a wholesome meal she enjoys and can easily chew and digest." Other consumers include a Chunky dessert or fruit sauce as a treat in a school-age child's lunchbox.

Juices are another product showing sales increases even greater than the increasing birth rate would justify. Gerber, holding a 70 percent share of the baby food market, has seen sales of juices jump from nine percent to 27 percent of total food sales in only five years. Gerber attributes the increase partly to the introduction of clear glass bottles, replacing the traditional cans: They are not only more appealing to the eye, but are more convenient to mothers. Just unscrew the cap and screw on a nipple attachment and the child has a sterile serving of juice.

In the past year alone, juice sales have increased 12 percent nationally. Several new juice packaging ideas have contributed to this jump. Retailers report high turnover of 4.2-ounce juice jars in a cardboard six-pack.

"Mothers love them," claims one East Coast retailer. "They've got a baby tucked under one arm and then can just reach over and grab six jars at once . . . makes things easier at the checkout too. Sounds silly, but you'd be surprised at how much sales increased."



Another new size is the eight-ounce bottle/jar of juice. This is the perfect size for the older infant and has become another item with a market far beyond babies; children like to take them to school and there are many executives' refrigerators stocked with four or five varieties of juice in this handy size.

Recognizing the popularity and expandability of this market, Gerber chose to promote juices during National Baby Week in April with gratifying results. Fifty-cent-per-case allowances encouraged instore promotions. Manufacturer's coupons sweetened the pot further and many stores reported double their normal volume of juice sales. "It really pays off to promote juices," noted one Midwestern buyer. "If that promotion had been geared toward strained food, for example, I doubt we'd have seen sales increases of more than 20 percent."

Not only are there more babies being born, but statistics show that the amount of commercial baby food consumed per baby is increasing. By removing salt, sugar, preservatives and artificial colorings from most of their products, the three major baby food manufacturers, Gerber, Beechnut and Heinz have reduced the incentive for mothers to make baby food for their infants at home.

Increasing numbers of mothers who work outside the home has also meant an increased reliance on "ready-to-serve" food. Although the percentage of mothers who breast-feed is rising, sales of infant formula continue to climb. This again is related to the large number of working mothers. Even breast-feeding moms often supplement with formula. Fewer and fewer mothers prepare homemade formula anymore; the commercial varieties are so well-balanced nutritionally that most doctors discourage women who choose to bottle-feed from making their own.

Rising nutrition consciousness may be in part responsible for renewed interest in high-protein varieties of strained food such as high meat dinners. Recent manufacturers' coupons and shelf talkers have boosted sales of these meat-vegetable combinations.

Brand name allegiance runs very high in the baby food market. Most retailers dismiss the possibility of generic or private label baby foods ever entering the picture. "Consumers may put a generic diaper on their kid, maybe even generic baby powder, but no way are they going to feed their kid something from a yellow and black labeled jar to save a few cents. We wouldn't even try to sell anything but Gerber, Heinz or Beechnut," says the vice president of a Midwestern chain.

Though baby foods are selling well, general merchandise–baby style is the real hot spot in the baby needs category. As the number of super stores increases, the percentage of floor space devoted to general merchandise goes up, too. The average supermarket devotes about 12 linear feet of shelving to baby food, four feet to formula, 16 feet to disposable diapers and four feet to general merchandise. Super stores may devote 12 or 16 feet to baby accessories, doubling or tripling the selection. "General merchandise gets the

Continued on page 82

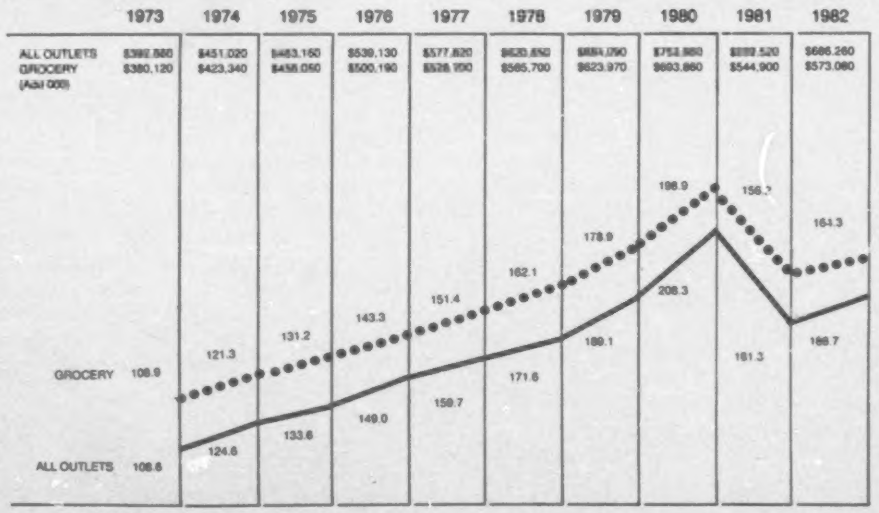
More births meant more sales for baby products—and there were more first-time mothers, needing more essentials. New chunky foods, and less additives convinced consumers to switch to prepared products. And new juice packaging caused that category to gush.

BABY NEEDS*

*Excludes formulas and cereals

10-YEAR INDEX OF SALES 1972-1982

BASE YEAR—1972 = 100.0%



2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

While dinners soar and vegetables hold steady, frozen cakes and pies are sagging, according to most buyers. Some think it's because of changing lifestyle patterns, or outpricing.

Frozen Goods

Continued from page 78

off. New intros always do well. Now we carry all 14 items in the line," he says.

The chain runs diet specials twice a year during which Weight Watchers and Lean Cuisine are prominently featured in reduced price ads and on crown end displays. One promotion is an after-the holidays event in January; the other is a slim-down-for summer campaign run in the late spring.

Economic conditions still dictate the success of upscale dinners in some locations. In the area served by the 22 Holiday Markets, Inc. stores (Cottonwood, Calif.) price raises have hurt sales, according to grocery buyer Don Burk.

Top end products like Le Menu are selling well, but so are items at the low end, like smaller meat pies.

"Things have been depressed here. There's no in-between, it sells either at the lower end or at the top."

Vegetables neglected

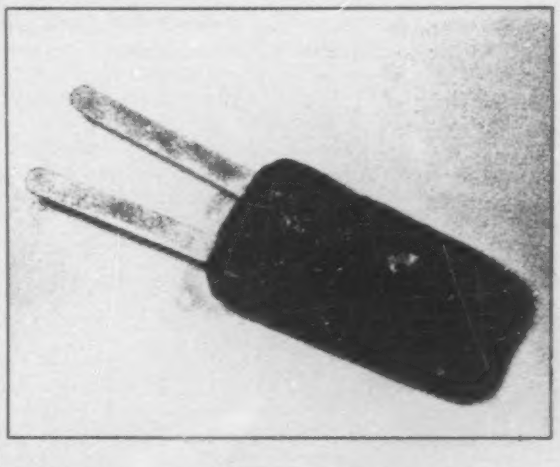
While they don't have the cachet of upscale entrees, frozen vegetables account for 18 percent of total frozen foods volume for Ralphs, says Mark Hannay. "But we've done a poor job as an industry in promoting the lack of sodium in frozen vegetables," he says. He feels that there has been a general industry-wide upgrading of frozen vegetables as a result of demand from the restaurant industry, which uses a great deal of frozen product and needs to maintain a high quality level, but that this upgrading has not been publicized enough to the general buying public.

He cites Birds Eye Farm Fresh mixtures as an especially strong seller for Ralphs. Etzkorn of Food Circus finds that the "newer Birds Eye vegetable combinations and Green Giant vegetables with pasta shells are proving popular. But he was critical of the impact of constant new introductions on existing vegetables.

"The newer ones sell because of the advertising and coupons. But then that takes away from the ones already there," he said.

Gerland's Elmer Peterson was also a vegetables booster. "Vegetables still do a good job. There's always some kind of promotion on vegetables, especially from Birds Eye and Green Giant. If we don't have a proposal from them, we feel devastated. We like to use them," he says.

While dinners soar and vegetables hold steady, frozen cakes and pies are sagging, according to most buyers. Some think it's because of changing lifestyle patterns, or outpricing. Others attribute the lack of consumer interest to the growth of instore bakeries.



Peterson of Gerland's suggested that the once-mandatory buy, Sara Lee, has "outpriced itself. The product is good, but pricing has made it prohibitive," he says. "People buy it strictly for occasions now. Also, most stores are now adding bakeries for the distinctive cake or roll purchases."

"Even frozen pies don't sell like they used to," says Don Burk of Holiday Markets, Inc., on the lagging sweet sales. He agrees that frozen sweets are feeling the negative impact of instore bakeries.

While he discerns some changes in buying patterns, Hannay of Ralphs still sees strength in some Sara Lee products like the new Croissants.

Frozen snack foods sales like pizza show a wide degree of variance from chain to chain. While they remain "flat" at Ralphs, they account for "50 percent" of Son's Supermarket's volume. Said Hannay: "Pizza is real flat. Buyers respond to low prices, but don't buy when the price is up again. I think there's room for real premium products." He cites the success of Chicago Brothers products in his chain's San Diego stores.

Strong sellers are a $4.99 24-oz. pizza and a 26-oz. pepperoni pie at $5.99.

Ethnic foods start breakthrough

While Italian specialties have always had a place in many supermarkets, stores are now beginning to see interest in Mexican, Oriental, and kosher products as well, report buyers.

In an Italian section that's holding strong, Food Circus is counting a number of Buitoni entrees among the casualties while raw Celentano ravioli and pizzas remain healthy. Food Circus also stocks a selection of kosher snacks and frozen dinners in a 24-ft. coffin case, according to Ron Etzkorn.

In Gerland's chain, "Mexican foods are big in all departments," reports Elmer Peterson. "We have lots of local stuff in the refrigerated foods section. It's a good seller. There's no limit on it. There are refrigerated tortillas of all types. We are also now getting more specialty items in the Oriental foods category," he adds, in response to demand from a growing Asian population. ■

BY POLLY FLANDERS

Baby Needs

Continued from page 81

lion's share of new space because the profit margin is so high," claims a representative of the Greenfield Food Mart in Greenfield, Massachusetts. "Of course you've got to stock things that turn," he warns, but it's not easy to find duds in the infant need business these days. The "store within a store" scheme of placing all baby needs in one aisle within the store is now standard practice among supermarkets and certainly contributes to the hefty sale of non-food baby items.

Stores with little space tend to limit their stock to indispensables; both the clear plastic lexan and the opaque pastel polyethylene bottles sell well, though sales of glass bottles continue to fall as fewer women use them to sterilize formula at home. A variety of different nipples is available, as are bottle brushes and disposable nursing pads. Plastic bottle liners do brisk business; Gerber has introduced a three-ply disposable liner in the past year to put the heat on Playtex, the manufacturer of the current best-seller. Although it is more expensive than the standard liner, the reduced chance of leakage or contamination is quickly making it a consumer favorite.

Stores with more space report excellent sales of infant undershirts, two piece terry top and short sets and the "Onesie," a one piece cotton garment available in pastel solids or prints. Made by Gerber, it is priced at about $3.50, and retailers are having trouble keeping it on the shelves.

All varieties of pacifiers are well received, as are teething rings, rattles, and even a three-piece "beginning toothbrushing kit."

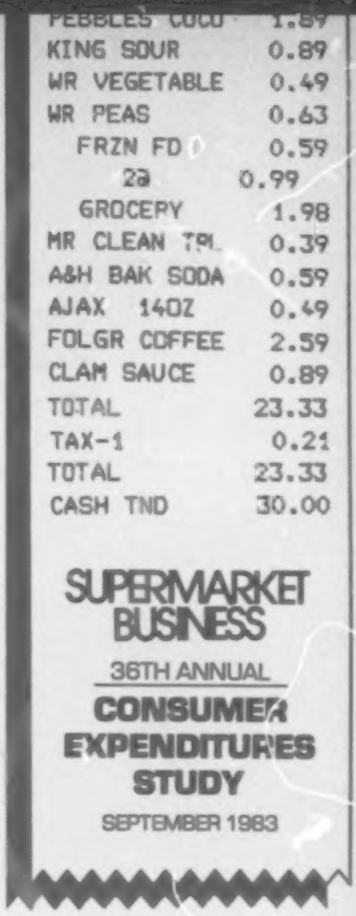
For new mothers themselves, breast creams and even breast pumps are available.

A growing trend toward sizing clothing by "Small, Medium or Large" instead of the traditional "Newborn, 3 months, 6 months, 9 months, 12 months, etc.," has reduced the necessary number of SKU's and consequently the need for shelf space.

Seasonal general merchandise is a good money maker. It generates interest in the whole department, especially when sold as a prepackaged display. Sandals and tennis shoes sell well in the summer. Fuzzy animal slippers and stuffed animals do especially well during the Christmas and Easter holidays.

Overall, the consensus is that baby needs will be a category of continued growth through at least 1990 when the baby boomlet will probably level off. Even then, manufacturers are confident that a wide variety of items, merchandised carefully, will keep consumers buying. ■

BY BRIDGET JOHNSON


PEBBLES COCO 1.89
KING SOUR 0.89
WR VEGETABLE 0.49
WR PEAS 0.63
FRZN FD 0.59
2@ 0.99
GROCERY 1.98
MR CLEAN TPL 0.39
A&H BAK SODA 0.59
AJAX 14OZ 0.49
FOLGR COFFEE 2.59
CLAM SAUCE 0.89
TOTAL 23.33
TAX-1 0.21
TOTAL 23.33
CASH TND 30.00

SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

GREETING CARDS

The greeting card business at supermarkets last year was, on the whole, good. The area was aided by new card lines and increased footage at supermarkets.

Sales of greeting cards in supermarkets rose in 1982, to $267.2 million up from $228 million in 1981.

It's increasingly clear that for a supermarket to have a successful greeting card section, that supermarket has to have—at the least—lots of space.

Virtually all new stores—super stores and combos in particular—include a greeting card section. The department has also been expanded in some existing and many renovated stores. The average section's size is about 40 to 60 linear feet. But some stores have discontinued the section, and one major manufacturer—Norcross-Russ Craft—went out of business last year.

The picture is not rosy everywhere, although the field as a whole is doing well. Greeting cards are not for every supermarket.

One buyer for a major chain in the Midwest, formerly supplied by Norcross, reports that management recently decided to discontinue cards altogether, after having stocked them for quite a long time—mostly in 12 foot sections. (The stores average about 15,000 to 20,000 square feet.) He explains that the decision reflected management's belief that they "could do more with edibles." So far, he notes, they've been pleased with this decision.

So while it's true that many stores are selling more, others are no longer selling any. The polarization between the haves and have-nots is mostly a function of store size, but it's also one of philosophy. The behemoths of the card business—American Greetings and Ambassador Cards—encourage the department only in stores that are over a certain square footage, usually 30,000, because smaller stores aren't able to give greeting cards the minimum space needed for a successful department (at least 28 to 32 feet, say manufacturers).

John Kelly, national supermarket sales director at Ambassador Cards, a division of Hallmark (Kansas City, Mo.), says that "at first, we were criticized for insisting on this, but stores have begun to realize we were right."

Jim Van Kuiken, nonfoods buyer at Dominick's Finer Foods (Northlake, Ill.), says, "We experimented with a 12-foot department in one of our smaller stores, but discontinued it because we found it didn't really work. It didn't have the exposure needed and [illegible] ended up with a lot of clutter around the area." (Dominick's is supplied by Ambassador.)

In addition, there's been a noticeable shift in the thinking of some supermarkets' management, notably Grand Union and Fisher Foods, to emphasize food over general merchandise by enlarging service and selection. In these stores wishing to enhance their food offerings, the greeting cards section finds itself competing with the likes of bulk food and specialty cheeses, in which case it finds that it can't compete, period. Greeting cards' strength is its profitability, but if management decides to emphasize foods, then profitability has little bearing on the department's desirability. In grocery stores, food sections have the upper hand to start with.

Nevertheless, the potential for profit (seven billion pieces sold annually in the U.S.) continues to make the section viable and desirable for the supermarkets with enough space.

John Kelly of Ambassador reports with pride that Ambassador has put in several hundred feet of expansion in Kroger, King Soopers and Stop & Shop stores. And Safeway, for one, is "looking at expanding" in some stores, perhaps even going so far as "boutiqueing" the department, giving it more of a cardshop atmosphere.

Wynn Weaver, national sales director at American Greetings (Cleveland, Ohio), boasts of departments reaching into the heady heights of 200 to 300 feet. From his vantage point, the most impressive expansion seems to be taking place in the West and Southwest.

One buyer for a major chain in the Northeast reports that with 36 to 44 feet allocated for the greeting card departments in his stores, the category "continues to do well. I feel if you're going to get into greeting cards," he says, "this is the time to do it. Up to now, the big problem has been the quality and variety of cards available in supermarkets. It's improved as far as quality, but variety is still limited by the amount of space you have."

Not only are the patterns of distribution changing—moving away from the smaller stores and expanding in the larger ones, the super stores and combos—but the product itself has shown marked variation in the designs and captions available.

It used to be that the preponderance of cards found in supermarkets belonged to the mushy-sweet, rose-entwined genre, inscribed with effete cursive script. That has been changing dramatically over the past few years as the big card companies are catching on to the more off-beat designs produced first by smaller, entrepreneurial shops.

More and more, the innovative, imaginative designs have begun to show up in the supermarkets. Early this year, Ambassador introduced one such new line, its "Off the Wall" light humor line, consisting of 108 different cards. Kelly called it "our most successful new product launch in recent history."

Wynn Weaver notes that American Greetings is aggressively going after the younger set, the teenagers—a segment virtually untapped in the supermarket, where the purchaser of cards is typically female, in her 30s or 40s.

H.W. Halvorson, vice president at Gibson/Buzza, agrees that there's been a shift in taste. He says, "There's

Continued on page 90

Greeting cards did well last year at most supermarkets—especially larger ones. A successful section needs a lot of space and increasingly, a "cardshop" ambience.

GM'S* 10 FASTEST GAINERS

Rank	Category	1982 Grocery Store Sales (000's)	% Increase From 1981
1	Batteries	$345,060	22.6%
2	Film Processing	186,660	20.4
3	Film**	456,790	19.7
4	Greeting cards	267,240	17.2
5	Ballpoint & fountain pens	42,630	11.7
6	Cat litter	200,180	11.6
7	Men's & boy's underwear	81,510	10.6
8	Grocery story distributed magazines	168,450	10.1
9	Mechanical pencils	4,530	9.6
10	Bathroom scales	[illegible],090	9.4

*Excludes HBA & Rx **Excludes movie film

FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

CANNED GOODS

Last year's skeptics are this year's buyers as retailers across the country report that aseptic packaging is here to stay. This bright spot in the canned goods picture emphasizes what several buyers see as the category's main draw: convenience.

Indeed, overall sales were up 12.4 percent to $15.7 billion, allowing canned goods to "hold their own" in today's marketplace, probably spurred on by strong aseptic packaging sales.

Retailers also report a permanent home for low-sodium vegetables—both brand and private label. But many report that demand is not as great as originally expected.

With the fruit juices in aseptic packages however, the problem is just the opposite: Manufacturers can't keep up with the demand.

There is a definite trend toward the aseptic package," says grocery buyer Steve Petty at The Red Food Stores (Chattanooga, Tenn.). "It's the trend of the future." Aseptic packaging contrasts with conventional canning and bottling in the process of sterilization. In aseptic packaging, the product and the container are sterilized separately, brought together in a sterilized environment and then sealed. The process allows for lower sterilization temperatures, keeping more of the product's original flavor and adding to the freshness. Products packaged as such can stay fresh on the shelf for up to six months.

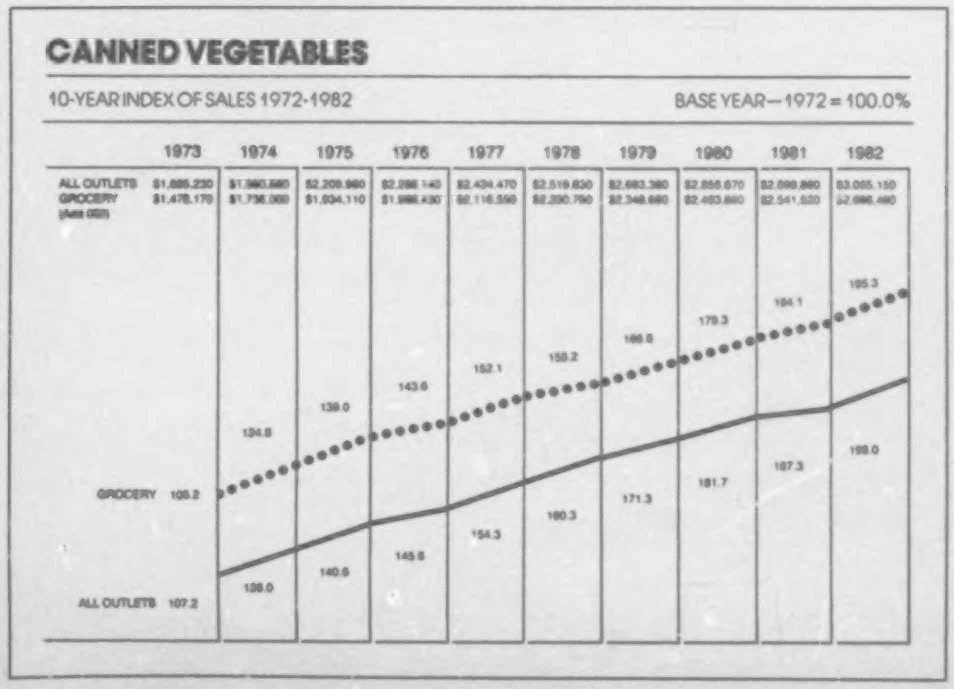
Juices do well

"The juices in aseptic packages have done very, very well—in fact, higher than we expected," reports Hy-Vee's (Chariton, Iowa) Bernard Frazier, director of warehouse purchasing. Agreeing is Bruce Anderson, buyer at Harris-Teeter (Charlotte, N.C.), "The aseptics are doing well. We carry all five brands of the aseptic juices."

"The aseptic juices are doing terrifically," says Sentry Markets' (Waukesha, Wis.) James Godfrey. Godfrey, vp and director of purchases for the chain's 89 stores, attributes the interest to the "unique packaging that just caught the eye of the consumer."

But other buyers cite the product's convenience as its main selling point, and note that manufacturers are advertising heavily toward "kids."

In the aseptic category, anything designed for kids is selling well, retailers say. "If it's not moving, it's not designed for kids," says one chain buyer.


CANNED VEGETABLES
10-YEAR INDEX OF SALES 1972-1982
BASE YEAR—1972 = 100.0%

Joe Carrabba, purchasing director for The Cullum Companies (Dallas, Tex.), reports sales of the aseptic juices are "real good. Anything designed for the kids is going like gang-busters; if it's not moving, it's not designed for kids." He cites Ocean Spray's cranberry juice and a variety of branded grapefruit juices as not moving well because they aren't designed for kids.

Bruno's (Birmingham, Ala.) buyer Terry Troup notes manufacturer ads show children with the packages around the pool advising mothers that the aseptics are safer than glass or can containers. "They have ads aimed at the kids saying 'Take it home, freeze it, and then let it thaw while you're outside playing.'"

"The new packages are more of a convenience thing," says a spokesperson at King Kullen Grocery Co. (Westbury, N.Y.). "You can't give a kid a 46-ounce can in the lunchbox." But at Raley's (Sacramento, Calif.), head buyer and merchandiser Jim Williamson attributes his consumer response to the concept, the convenience and the fact that "California is big juice country."

Williamson's policy is to carry everything available in a newly cut four-foot section. "I want to try to get a complete line and then let the chips fall where they may. Let the consumer decide what he or she likes best."

The juice department at Bruno's expanded from eight feet to 12 feet to incorporate the new aseptics from Ocean Spray, Capri Sun, Hi-C, Hawaiian Punch, Borden and Nature Valley. Buyer Terry Troup expects to have to make room for more. He gained his four feet by discontinuing the 64-oz. size in glass containers. At Hy-Vee the 46-oz. glass container of fringe brands was dropped—particularly grapefruit juices, says Bernard Frazier.

At King Kullen "the 46-oz. size is definitely being affected," says a spokesperson. "The aseptics are slowing their movement. We now carry only two Hawaiian Punch flavors in that size."

Most buyers contacted are carrying at least flavors of every brand in aseptics and have been gaining space by "tightening the rest of the juice section." "Slow movers" were dropped. The most mentioned slow mover? Grapefruit juice followed by cranberry juice. Hi-C and Hawaiian Punch vied for the lead in the new packaging.

Only one of the 12 buyers contacted had less than high marks for the aseptics: Tom Johnson, grocery buyer at McKay's Markets (Coos Bay, Ore.), attributed low movement to the consumer's lack of acceptance of the package: "This is aluminum can country. I guess we just love aluminum cans here," he says. But will he continue to carry the new packages? "As long as they show an increase, we'll carry them." He calls the movement "pretty light, but growing."

Private label possibilities

Elsewhere buyers expect to see the packages in private label products soon. King Kullen expects to carry private label pineapple juice as soon as it comes out this fall. Why pineapple juice? "They were the first to offer it," says the spokesman.

But while aseptics generally garnered enthusiastic remarks, low-sodium vegetable lines got mixed reviews.

Buyers at McKay's Markets, Red Food Stores and King Kullen report sluggish movement for both the branded and private label lines. At Hy-Vee Food Stores, Bernard Frazier reports, "Del Monte is doing fairly well, but we have not branched out too much more. It's just not very, very exciting—I'd call it modest at best.

Continued on page 90

Greeting Cards

Continued from page 85

a definite trend to more light-hearted, cute, clever and whimsical cards, and our line has been changing to reflect that." He notes that the traditional (floral) designs are still necessary, but that Gibson's emphasis is moving away from them.

The product changes go below the surface: even the captions are sporting truly new messages or no message at all. This has opened up entirely new categories. Congratulatory cards are no longer limited to the standard birthday, wedding, anniversary and graduation occasions—now there are cards announcing or even celebrating such events as divorce, successful dieting, and so forth. The media keep reporting on the rise of single-parent households, and we're reminded by the card racks that contain more and more cards suited to these situations.

GROCERY STORE MARKET SHARE FOR GM*

	1982	1981	1980
Greeting cards	10	9	7
Pet accessories	34	33	32
Phonograph records	9	9	8
Photo film & processing	15	14	13
Men's hosiery	4	4	3
Motor oil & additives	21	21	20

The most recent innovation in greeting cards involves high technology in the form of a wafer-thin computer chip that plays the "Happy Birthday" tune.

Another observation made by manufacturers is the interest in the blank cards. Ambassador's John Kelly says, "This kind of thing comes and goes, but now we're seeing more of an interest in it."

And the most recent innovation in greeting cards involves, not surprisingly, high technology in the form of a wafer-thin computer chip that plays the "Happy Birthday" tune. These cards were first brought to the market nearly a year ago, by various novelty manufacturers. American Greetings plans a February 1984 debut for its version of the singing card. A spokesperson for American Greetings explains that "we've had the technology for two years, but decided to wait until we had perfected it" before bringing it to market. The first generation of musical cards on the market don't always play on cue. American Greetings' Melody Makers line will offer 12 cards which play one of three tunes and sell for $4.50.

The greeting card is an intensely personal purchase. Greeting cards carry a message that must reflect both the sender and receiver, which makes stocking the right mix all the more tricky a task, and especially so with the vast proliferation of designs and messages available.

Fortunately for the retailer, card manufacturers are becoming, with the help of the computer, increasingly sophisticated and adept at matching the right cards to the demographics and psychographics of an individual store's clientele. For new stores, though, it still takes a couple of years to fine tune the selection. This, of course, must be done constantly because the demographics and psychographics of a population are always shifting.

What hasn't changed in greeting cards is what's needed on the part of the retailer to make it work: cooperative effort. Some stores expect the suppliers to do all the work in stocking and maintaining the racks. Others prefer to keep a hand in all facets of their business—or are forced to by union regulations. John Kelly of Ambassador concludes that "in my observations, the most successful stores are those that view the department's operations as some sort of cooperative venture between the supplier and retailer." ■

BY SARAH LUM

Canned Goods

Continued from page 88

"This no-salt concept is being overdone," Frazier continues, "People are getting tired of the government telling them what's bad for them. So much has come down the pike . . . first it was cyclamates and now this. I just think it's overdone and people who have been eating salt on green beans all their lives aren't going to stop now."

Low-sodium

"The low-sodium lines just aren't up to expectations," adds Sentry Markets' James Godfrey. "Yes they have a place, but thy're not doing as well as everyone thought they would."

But elsewhere the reaction to the low-sodium lines was very different.

"If you're doing a good job with low-sodium, it's 20 percent of your regular business," says First National Supermarkets' (Cleveland) Robert Williams. The chain has added 32 new products in the category, eliminating slow-movers and the duplication of brands.

"We increased shelf-space 10 percent and added 75 to 100 items in the low-sodium lines," reports Cullum Companies' Joe Carrabba. "Low-sodium is here to stay. I think eventually it will be about a 50/50 split in sales with the regular product as we know it today."

At Raley's (Sacramento, Calif.), Jim Williamson reports that while he was forced to add an extra shelf to carry the low-sodium products, "they're not setting the world on fire. The line doesn't seem to be doing as great as we expected."

As for canned goods in general, opinions varied on whether the category lived up to expectations, or continued to lose to increasingly popular fresh foods.

At Raley's, canned goods are losing to deli and health foods, according to Williamson. A spokesperson at Kohl's Food Stores (Milwaukee, Wis.) reports canned goods are losing to fresh and frozen vegetables. At King Kullen, canned goods are reportedly losing share to produce and deli.

"Produce is doing really well," says grocery buyer Ray Whitney at Rosauer's Super Markets (Spokane, Wash.). "There is a definite movement toward fresh," he says. "People are more natural-minded. They are going to fresh to get away from sugar."

But at Harris-Teeter and The Cullum Companies, canned goods "are holding their own."

"Canned goods are here to stay," says Steve Petty at The Red Food Stores. "They've been around so long, and they are convenient—and the price per serving is still real good."

Says Robert Williams at First National: "Canned goods still represent a good buy to the consumer." ■

BY JANICE T. RADAK

WHERE THE 1982 GM* SALES INCREASE CAME FROM

RANK		SALES INCREASE OVER 1981 (000)	% OF TOTAL GAIN
1	Housewares	$106,340	23.3%
2	Photo & film processing	99,490	21.8
3	Flashlights & batteries	65,340	14.3
4	Greeting cards	39,220	8.5
5	Pet accessories	35.490	7.8
6	Magazines & newspapers	31,710	7.0
7	Women's hosiery	17,010	3.7
8	Toys	12,580	2.8
9	Men's & boy's underwear	7,810	1.7
10	Disposable cigarette lighters	6,090	1.3
11	Writing implements	5,810	1.3
12	Phonograph records	5,660	1.2
13	Household glassware	5,580	1.2
14	Garden seed packets	3,750	.8
15	Men's hosiery	3,540	.8
16	Stationery	3,080	.7
17	Sunglasses	2,550	.6
18	Shoe laces	1,970	.4
19	Motor oil & additives	1,420	.3
20	Bathroom scales	870	.2
21	Vacuum bottles & jugs	570	.1
	TOTAL GAIN	455,880	100.0%

2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

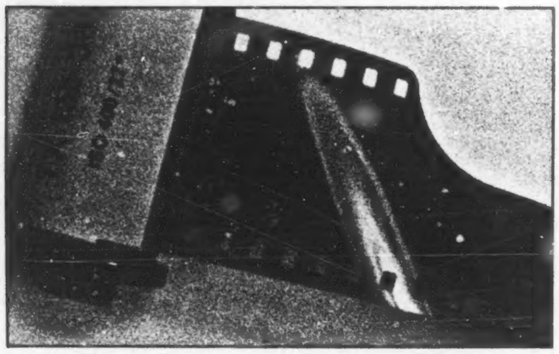
SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

PHOTO SUPPLIES

Sales of photo supplies are up at supermarkets as retailers realize the profit potential in offering—and promoting—photo processing. Supers must compete with the many nearby one-hour processing stands, but they are reaping the benefits of increased customer traffic, by having photo processing as another service department at the store.

A significant move was made in 1983 in the strengthening career of photo supplies in food chains. With the proliferation of "one-hour photo developing" shops opening up near supermarkets, chains have become more aggressive, and this year a significant number of them have launched their own photo processing programs. This move has also resulted in increased shelf space for photo supplies in general.

Additionally, retailers more than ever are recognizing the profit potential of photo film and processing. Significantly increased sales reported by the three top manufacturers of film products to supermarkets is proof of food chains' growing awareness of this nonfood category. "Overall consumer goods sales were flat this year," says a Kodak spokesperson. "However, supermarket business was up more than 10 percent in 1983. This is due to the continuing interest in photo and non-food merchandise. Supermarkets are realizing that the opportunity for making money in the nonfood category is strong and they are doing more advertising in photo supplies than in the past."



Fuji Photo Film reports a 35-40 percent increase in supermarket sales. According to Ron Dubner, national manager food and drugs for Fuji, "Supers are becoming a lot more aggressive. They are finding they can make money on film and film processing. Film processing in particular brings customers back into the store and customers are going to buy more than just film and their prints when they return, so it is of great benefit to the supers. And they are beginning to see the fruits of that."

Polaroid also reports a considerable increase in sales with supermarket chains. Says James Hilderbrand, marketing manager supermarkets, "Supermarkets are beginning to see the benefits of capitalizing on the seasonality of camera purchasing."

All three manufacturers note that the percentage of space devoted to nonfoods and general merchandise is on the upswing. In fact, Polaroid's Hilderbrand feels that it is "accelerating to a pace where it is at a level with foods." The manufacturers concur that increased consumer awareness and the profusion of "one-hour photo developing" shops have led food retailers to beef up the amount of space devoted to photo film supplies.

P&C Food Markets (Syracuse, N.Y.), with 92 stores in upstate New York and Pennsylvania, is in the process of introducing photo finishing services, which it hopes to have under way within the next few months, says James Rowland, director-nonfoods merchandise. "We're introducing the service not only to remain competitive but to give customers another reason to come back into our stores," he says.

P&C plans to increase the amount of shelf space for its photo film supplies when it introduces the processing program and will also have end cap displays and freestanding units. It has just added a film rack at every register to spur impulse buys and has three-foot self-service racks near the Number 1 check out area.

The H.E. Butt Grocery Company (Corpus Christi, Tex.) this year for the first time introduced photo processing in a limited number of its stores and plans to expand the service to its other outlets if it proves to be successful. "We are definitely expanding the space given to film products since film sales are so good," says Walter Clem, senior buyer for the 154-unit chain. The company also plans to enlarge its camera sales space. Currently H.E. Butt sells Polaroid and Kodak cameras, but it is working on a program for 35mm cameras, which will include service counters, to be introduced imminently.

The greatest single factor for a large western chain's entry into film processing this year was the competition. According to a buyer for the chain, when it introduced film processing it increased photo supplies shelf space threefold by putting in drop boxes at end cap displays and self-service areas for flash items and film.

The Circle K Corporation (a convenience store chain in Phoenix, Ariz.) ran a pilot program on film processing, but "it didn't do well, so we don't plan to add processing," says Tony Scarpa, general manager GM and HBA division. While Circle K did not increase the shelf space of photo supplies in its stores, it did relocate them from behind the counters to display cases in front of the store on top of counters. "We've seen a tremendous increase in sales since we made this switch," says Scarpa. The film products are displayed in 2½x4-foot glass-enclosed cases with back up film on pegs that sales clerks handle.

The top sellers for the year have been Polaroid's Time Zero film and its new One Step 600 and Sun 600 LMS cameras, Kodak's disc cameras, disc film and VR high speed film and Fuji's disc, 135mm and 110-24 color print film. The disc film and 135mm film in particular are doing exceptionally well as consumers become more sophisticated with camera equipment, report retailers. According to a West Coast chain's buyer, "In the area of 35mm products, manufacturers are succeeding in bringing 35mm cameras to people previously unfamiliar with them." He also points out that "technology will make a better product evolve."

Due to the success of film sales, a number of food chains are marketing their own private labels. P&C's Rowland says his company's private label does very well "once the customer tries it." He adds, "The quality is excellent and the product offers a savings of about 30 percent." While it doesn't yet carry a private label, H.E. Butt is in the process of putting together a private label program, says Walter Clem. Big Bear Stores (Columbus, Ohio) offers a generic label for 110, 120 and 135 film. According to a Big Bear buyer, "The generic label is selling almost equal to brand names and is 30 percent lower in price."

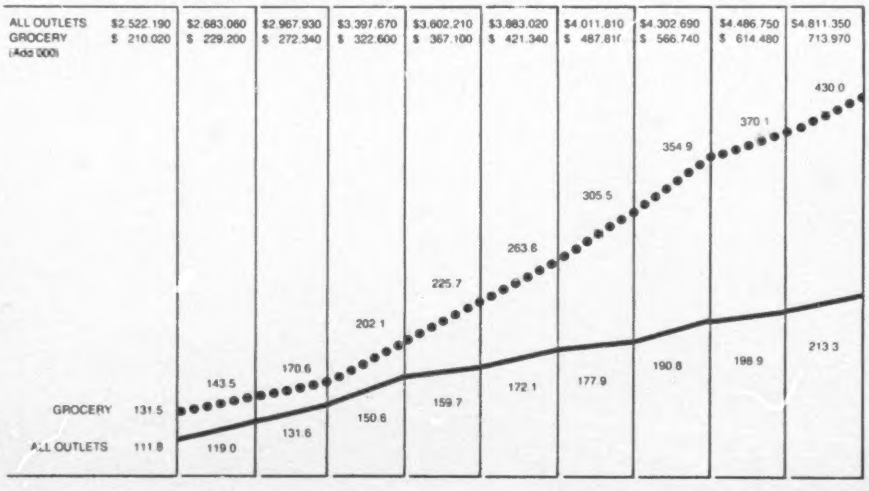
Although film sales are hot, most retailers feel promotions are necessary to boost consumer spending levels. And the promos pay off. One retailer, for example, reports that sales increased 33 to 50 percent following

Continued on page 98

PHOTO SUPPLIES* *Includes photo film processing, and flash bulbs and cubes. Excludes movie film.

10-YEAR INDEX OF SALES 1972-1982 BASE YEAR—1972 = 100.0%

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
ALL OUTLETS	$2.522.190	$2.683.060	$2.967.930	$3.397.670	$3.602.210	$3.883.020	$4.011.810	$4.302.690	$4.486.750	$4.811.350
GROCERY (Add 000)	$ 210.020	$ 229.200	$ 272.340	$ 322.600	$ 367.100	$ 421.340	$ 487.81(	$ 566.740	$ 614.480	713.970



TOTAL 23.33
TAX-1 0.21
TOTAL 23.33
CASH TND 30.00

The bad news last year was that eating snacks couldn't make recession go away; the good news is that consumers ate them anyway, making snacks a recession-proof category. Sales were generally reported up over the previous year.

Ninety-nine cents remains a magic price point for chips, but the sky's the limit for upscale cookies selling from $1.30 to $1.99, report buyers.

SNACKS

Snacks survived last year quite nicely—people won't give them up. Especially strong are new Mexican-style items, although potato chips are still the leader. Cookies—especially high-priced, fancy ones—were very successful.

Low-sodium and low-calorie snacks are finding a market, but most consumers seem content to suspend health and diet concerns when searching for a treat, say some buyers. Name brand discounting continues to draw traffic in some markets but the big news is the more widespread move into profitable snack and cookie generics.

Cannister and foil packaging have also attracted consumers because of perceptions of greater convenience and freshness.

While taco and corn chips continue to make inroads on potato chips' turf, the extent varies regionally. The newcomers are especially strong in the West and Southwest.

"Our tortilla chips have almost doubled in sales," reports Al Anderson, grocery buyer, Vons Grocery Co. (El Monte, Calif.). "We have just brought out our own private label line of tortilla chips and corn chips. It sells for 89 cents the eight-ounce bag versus $1.29 to $1.39 for national brands. It's a good quality product and there is a good profit in this."

The area that seems to be slowing down, he thinks, is regular potato chip. "It's not due to lack of promotion, just decreased shelf space for it," because of so many new additions in other varieties. Overall snack shelf space in the 175-store chain was increased through use of check stand fixtures for small size items.

There was no sales slack due to recession, or inflation, Anderson says. "Prices are rising, but snack sales are still up. I would imagine that people are staying closer to home. And people will spend more money on things to make them happy at home. It's a me-generation out there, a 'take care of your face' generation, so snack sales just will not go down."

Mexican-type items are also doing well in some rural areas, in other parts of the country. A top new entry for Leevers Super Markets (Devil's Lake, N.D.), has been Mextitos taco chips, among many new intros.

"Basically, anything Mexican will sell now," says manager Ken Abach. "It has made inroads on potato chips. We display taco chips a lot more now. A year ago we never did. Now we cross-merchandise it often with dips in tabletop demos," he says.

A surprise hit at Leevers: Old Dutch cheese puffs in a plain "generic bag" priced at $1.39 to $1.59 per half pound.

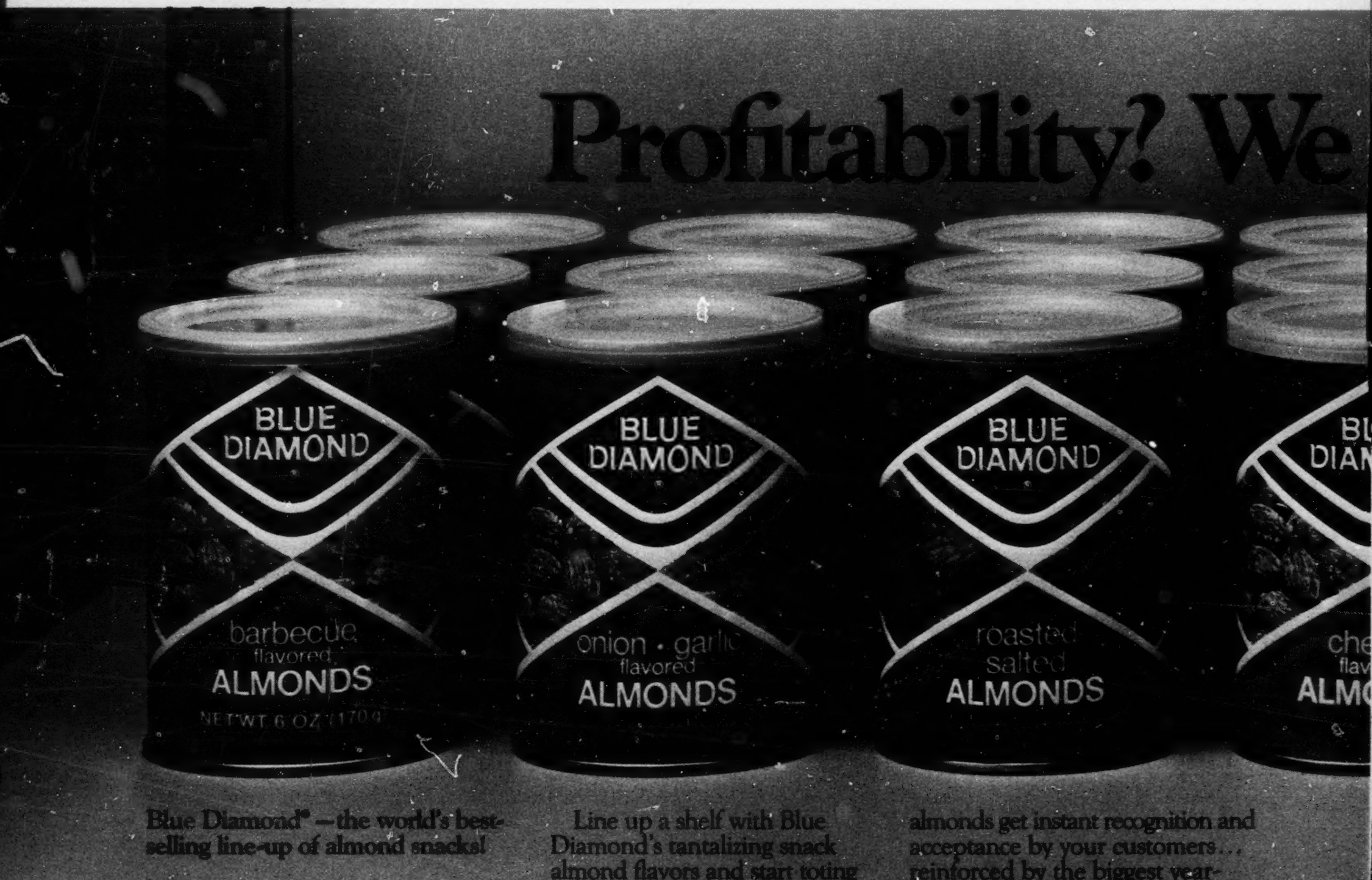
Also starting to see action on Mexican-type snacks is Wilbur Lockhart, owner/manager of the five-store Son's Super Market chain (Jasper, Ariz.). He also cites corn chip products as "very big" in his market. "All we have to do is stack out 100 cases at 10 cents under retail and they're gone in no time."

Name brand discounts

Lockhart saw a trend to name brand snack discounting among larger chains in his area. "But they're only doing what we've been going for several years now. We've been discounting 10 to 15 percent off. It works because you still have a 35 to 40 percent gross to work with."

Some places don't require a lot of promotion to move snacks. Aside from the occasional chip and dip demo, Allied Supermarkets, Inc. (Detroit, Mich.) doesn't "do anything much to promote snack sales," in its 84 stores, according to snacks merchandiser Jerry Malone.

"We don't advertise it. Customers just make it part


Profitability? We

Blue Diamond® —the world's best-selling line-up of almond snacks!

Line up a shelf with Blue Diamond's tantalizing snack almond flavors and start toting up the profits. These famous almonds get instant recognition and acceptance by your customers… reinforced by the biggest year-round advertising program in

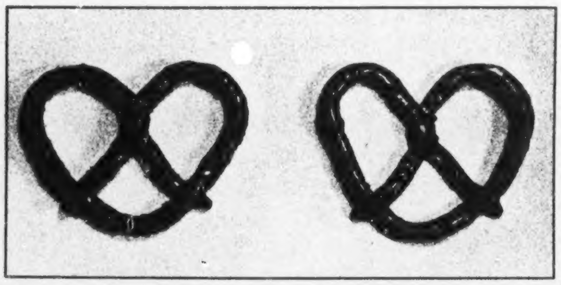
of their regular shopping trip. Recession didn't hurt chip sales either. In fact, sales are up."

Frito-Lay products are "number-one" in Michigan, with potato chips holding their own nicely. But the biggest news in chips here, said Malone, is that "the whole supermarket business in Michigan has gone into generic chips." They are priced about 20 percent lower and have cut into brand name sales, he added.

Merchandising more aggressive

Elsewhere, strong sales are the result of more aggressive merchandising. Consumers at the 43-store Foodarama Supermarkets, Inc. chain (Freehold, N.J.) "don't walk out without buying a snack in one form or another," according to director of grocery sales and merchandising, William Glazier.

The chain always puts a snack in every ad, often as a lead, focal point, says Glazier. "Although we have heard recently that snack sales are dropping, we are doing more merchandising to keep the consumer buying snacks. We have more coupon type items and have stepped up newspaper ads and circular distribution."



Planter's cheese balls in canisters and a warehouse canister from ShopRite have "really caught on," he stated. "Also, switching to foil wrappers has done a lot for everyone."

ShopRite's snack shelf space allotment has increased about 15 percent in the past two years, including off-shelf displays.

Glazier is pleased with what he considers increased creativity in manufacturer support. "There are trial sizes or buy one/get one free promotions. Manufacturers have been getting more creative than in the past."

A buy one/get one free promotion is boosting snack sales in Anheuser-Busch's line of foil-wrapped pretzels and potato chips, for example, reported Ron Etzkorn, grocery supervisor for grocery and frozen foods at Food Circus Supermarkets (Middletown, N.J.).

Especially popular is a "lattice" chip. Seven-ounce bags are $1.39, but consumers are attracted to the product because they perceive additional freshness due to the foil wrapping, said Etzkorn.

Mexican-style snacks are catching on big here, too. He cites Dorritos as a top seller in his firm's 12 stores. "It has really dug heavily into potato chips. Potato chips are now promoted heavily to compete."

Food Circus often cross-merchandises snacks with soda. "We maintain our margin on snacks and promote more heavily on soda," he revealed.

Christy's Markets, Inc.'s (Brockton, Mass.) chain of convenience stores cross merchandises too. Chips are usually displayed near the fast foods area, according to purchasing and merchandising manager, Al Petropoulos.

Anheuser-Busch's foil bagged Eagle snacks are offered near the beer section.

Cookies tied to income

Cookie sales appear to be closely tied to income levels, with the premium cookies doing best in affluent communities, say some buyers.

Anderson of Vons finds "people buying the higher-priced stuff" more regularly. Most popular in his chain: Twin Dragon almond cookies at $2.49, promoted most often for $1.99.

At Leever's Supermarkets, Grandma's cookies, bought recently by Frito-Lay, according to manager Abach, reign supreme in 27 varieties of soft and sandwich types from $1.59 to $1.79 for 10 to 15-ounce sizes.

In many places, strong sales are the result of more aggressive merchandising. "Consumers don't walk out without buying a snack in one form or another," says a retailer.

BLUE DIAMOND
smokehouse
hickory smoke fla
ALMONDS
BLUE DIAMOND
whole natural
ALMONDS
BLUE DIAMOND
roasted blanched salted
ALMOND
NET WT. 6 OZ.

the business. So make a little room in your store for a big new profit center.

Seven delicious snack almond flavors in 6-oz. tins (including famous Smokehouse®, which also comes in fast-moving check-outstand foil packs).

Blue Diamond® Almonds. They're tops on the bottom line.

BLUE DIAMOND ®

the Almond People

P.O. Box [illegible] Sacramento, CA [illegible]

Snacks

Continued from page 97

But Abach also spotted a trend to the return of "lower end" cookies. "We are seeing lots of sales in sandwiches that are $1.59 for 20-ounce."

Abach welcomed the entry of new cookie manufacturers into his locale. "Any time there's a new company, the other companies get to fighting again and we get a lot more promotion support than when we had only two major vendors for years."

At Food Circus stores, "private label is almost a dead item," acknowledged Ron Etzkorn, but "expensive items are selling best."

He cited Keebler's Grasshoppers selling well at $1.49, and related that Pepperidge Farms' Star War Cookies, which was supported with a cup premium, was selling briskly even where the cup wasn't offered.

"In fact, Pepperidge Farm cookies are a good steady item for us, particularly in high and middle-income areas. But they don't do well in lower-income areas," he stated.

Some snacks go natural

While the lion's share of chips' and snacks sales belongs to the traditional salty tidbits, there is a growing demand for lower-sodium alternatives among consumers, as well as interest in lower calorie chips, perhaps as companions to lighter beers and no-cal soda.

Vons Grocery Co. stocks Bell Brand low-sodium corn and potato chips and Frito-Lights corn chips.

Christy's Markets, Inc. is anticipating the arrival of a light line from Borden-Wise, which is said to have a third fewer calories than traditional chips.

As for the position of "natural" snacks like dried fruits and nuts, in most chains, they are generally sold in bulk and found in the produce section.

Nut mixes have done well at Shop Rite and have a place in snacks marketing if they're "tastefully" done, according to William Glazier. Things like carob are usually sold in bulk in produce at Shop Rite.

"We haven't done as much in packaged natural snacks, although that is probably coming," he acknowledged.

Don Burk, grocery buyer at Holiday Markets (Sacramento, Calif.), feels that the right type of packaging aids dried fruit sales. "It's convenience all the way, and consumers also see foil as keeping it fresher. It also hides broken pieces."

At Leever's, it was senior citizens who responded most favorably to a dried fruits section, said manager Abach. It sold well, when it was strongly promoted, but "when it's not a specialty, it's not too big."

The strength of dried fruit snacks may well reside in more urban convenience store markets, as is evidenced by a surge of sales in Christy's Boston stores of the Food for Life line, which is sold with a line of natural fruit juices. ■

BY POLLY FLONDER

While the lion's share of chips and snack sales belongs to the traditional salty tidbits, there is a growing demand for lower sodium alternatives.

BAKED GOODS*

*Excludes frozen cakes, pastries, pies

10-YEAR INDEX OF SALES 1972-1982

BASE YEAR—1972 = 100.0%

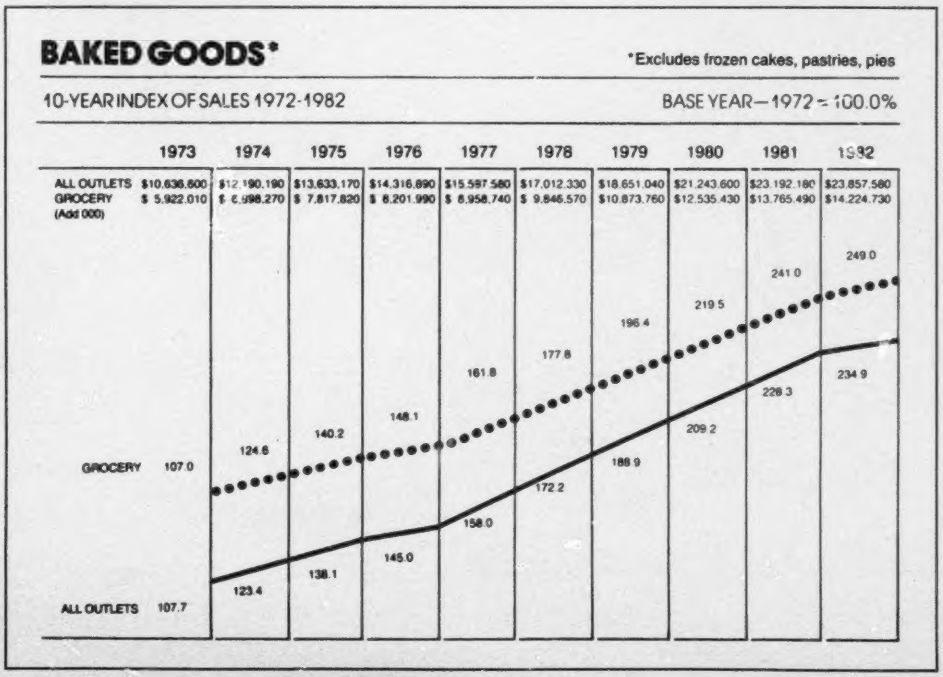


Photo Supplies

Continued from page 93

a price promotion that revolved around the Christmas and Easter holiday periods.

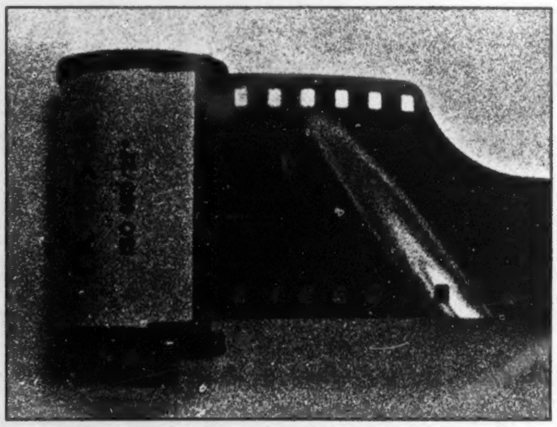
Big Bear Stores three times a year features a Dollar Days Savings Blast that always includes a film item. This year the sales blast included a $7 special of three rolls of Fuji film. According to a buyer for the chain, it resulted in a fivefold increase in normal sales volume during the week-long promo period.

Pantry Pride (Fort Lauderdale, Fla.) staged a "Spare to Share" promo in its Florida and Georgia stores featuring a roll of Kodak, two prints for the price of one and a 5x7 color enlargement all for the price of $5.97. According to a Pantry Pride spokesperson, the promo definitely helped to boost sales.

Most food chains are dissatisfied with what manufacturers now offer in terms of promotional support. One buyer says he prefers lower prices to ad allowances.

Among the promotions launched by P&C this year was a $1 rebate offer when purchasing two rolls of Kodak film. The promo, which was run in cooperation with the manufacturer, did very well, according to P&C's James Rowland. He estimates it increased sales during the promo period by 25 percent.

In order to hold more price promotions throughout the year, retailers need the cooperation of manufacturers. Most food chains, however, are dissatisfied with what manufacturers now offer in terms of promotional support. Circle K's Tony Scarpa feels that the advertising allowances alloted by the manufacturers are ample. He adds, however, "they give us advertising monies but as far as special deals, we don't get very much."



A buyer from the 60-unit Big Bear Stores feels the amount of promotional support from manufacturers is definitely inadequate. He contends, "Most manufacturers have very complicated offers. What we would like to see is advertising allowances done away with and instead products offered to us at lower than normal prices so that we can do what we want with them." His opinion is echoed by a Western retailer who argues that "most manufacturers have very good co-op advertising programs but not all of them deal with offering us goods at lower than normal costs for promotions which makes it difficult since our margins are not that deep."

Nevertheless, the film category is a growth area in supermarkets and both retailers and manufacturers are learning how to work together more productively to increase sales. Fuji has recognized that food retailers do things differently than other retailers so it has tailored programs to meet their needs by providing pre-packaged promos. "We try to sell them in the way they want to be sold," says Fuji's Dubner. Kodak offers food chains early buying programs in which supers receive four to five percent more if they buy early.

Concludes Polaroid's Hilderbrand, "Retailers are flexing their muscles as they gain confidence in the market and become more aggressive with increased advertising and promotion. And we are learning how to approach food retailers to meet their needs." ■

BY LAUREN YANKUS

KING SOUR	0.89
WR VEGETABLE	0.49
WR PEAS	0.63
FRZN FD	0.59
2a	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

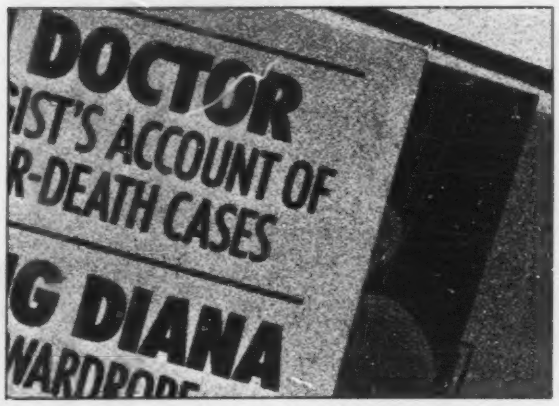
PERIODICALS

Perhaps the biggest news in books at supermarkets is the full-fledged book department. More and more supers across the country are putting in full-line book sections—as opposed to a simple paperback rack or dump display. While sales for books and publications were steady in 1982—if not spectacular compared to the year before—retailers have a lot of enthusiasm for this further development of the book market at supers. The reason: profitability.

Witness the growth of book departments in the East. About two years ago, for example, Barnes & Noble (New York), a major discount bookseller, opened full-line departments under its own name at two Pathmark (Woodbridge, N.J.) stores. There are now 44. A spokesperson for Pathmark says the company is "pleased with the performance" of these departments and plans to install 10 more in the near future.

In addition, Stop & Shop (Boston) began installing Barnes & Noble departments about a year ago and now has them in eight stores. "We're very pleased with it," says Bill Palizzolo, general merchandise sales manager. "We're adding the department to our new stores."

Another chain testing the concept in the East is Purity Supreme (North Billerica, Mass.). It's supplied by Barnes & Noble, but doesn't use the Barnes & Noble name.



The Barnes & Noble banner is likely to pop up in other parts of the country, too. A company spokesperson says Barnes & Noble is discussing with a major Midwest chain the possibility of setting up book departments at its supermarkets.

Of course, Barnes & Noble isn't the only game in town. In the West, Ralphs (Compton, Calif.) has taken the initiative and installed its own full-line book department at its new 24-hour Superstore in Grossmont, a suburb of San Diego. Other Ralphs Super stores are expected to have the departments.

And then there are the Family Reading Centers, which have been turning up at more and more supermarkets since 1979, when the Periodicals Institute (North Arlington, N.J.) introduced the concept. With a Family Reading Center, a store can go beyond the usual fare of publications found in supermarkets, even if it doesn't have an enormous amount of space.

The bookstore idea doesn't work everywhere, of course. "This kind of thing really has to be done on a very selective basis because of the cost involved," says Jack Cavaleri, general manager of Weiner News (San Antonio, Tex.), a publications distributor. Often, he says, the reading centers at supermarkets are a euphemism for "enough space." But that "enough" space is getting bigger.

Right now, there are about 1,500 stores with Family Reading Centers, and an additional 7,000 to 8,000 that have their own signage. The Periodicals Institute surveyed 168 supermarkets in 50 cities and found that the average footage of the total periodicals display (in linear feet) went from 11.25 feet in 1981 to 34.3 in 1982. Broken down between magazines and books: 7.15 to 17.99 for magazine displays and 3.95 to 14.77 for paperback displays. Sales performance in these larger sections went from $21,965 to $61,761—a 181 percent increase in 1982 over 1981.

Many stores want to convey a "bookshop" feeling in their stores. This is easier with larger stores, of course. At Stop & Shop, which is testing the full-line bookstore, the stores use book table islands in-between the gondolas, to create "a mini-bookshop" says Bill Palizzolo.

More full-line bookstores, offering current hardcovers, fiction and non-fiction as well as paperbacks, are bound to be added to many more stores as more retailers realize their upscale profit potential as well as the service image a good bookstore can provide.

In addition to the reading centers, other developments include the burgeoning romance field (now 30 to 40 percent of the paperback market) and the sprouting of an entirely new line of magazines that cater to the computer crowd.

Love between the covers, book covers that is, turns out to be a bigger than ever before field for supermarkets, partly as the result of updated (read: racier) and expanded offerings, which are in turn the result of vigorous competition between Harlequin and the more recent contenders, among which Silhouette is most aggressive. At the same time, although the market itself has been expanding enormously, there's a glut of titles, resulting in a higher than usual return rate—something on the order of 60 percent.

Jack Cavaleri of Weiner observes, "One of the most interesting things going on in periodicals has been the advent of new titles." He cites the computer software magazines in particular. "Six months ago, there was virtually nothing in this category at retail, then all of a sudden it's become a hot category." He notes that it's a trend Weiner wouldn't have been able to respond to without the use of their computer system, which tracks and analyzes the movement of each title by individual store.

Publishers, distributors and wholesalers all continue to rely more and more on computer-aided analyses to uncover the mysteries of single copy sales and pinpoint areas of opportunity.

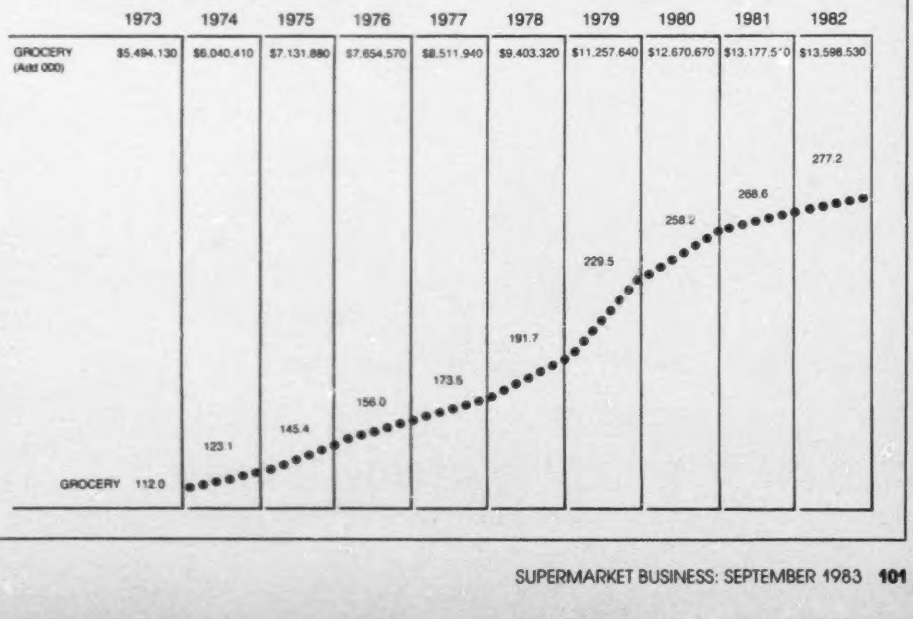
At the retailer's end, publication sales are getting a boost through increasingly innovative and aggressive promotions, spurred by efforts of the Periodicals Institute and publishers too. Couponing, cross-merchandising tie-ins and book bins are being called into service, as well as the creation of distinct departments which draw attention by their special ambience. ■

BY SARAH LUM

Full-line book departments are becoming popular at more stores, as retailers realize the profit potential of these sections. Magazines continue to do well, and stores on the whole are trying to give publications a lot more space.

GENERAL MERCHANDISE (EXCLUDING HBA)

10-YEAR INDEX OF SALES 1972-1982



FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

INTERNAL ANALGESICS

It was a good year for the non-aspirin product category in the supermarket drug section. "It went crazy," says one buyer. Now, there's more shelf space, more brands and, for supers, a healthy share of the total analgesics market.

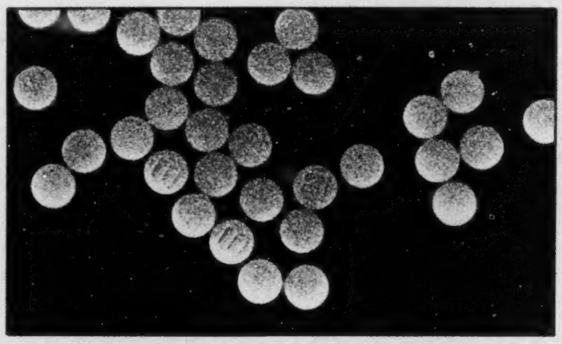
It's "the year of the analgesic," says Ed Van Scoyoc, HBA buyer for First National Supermarkets (Cleveland), who might be speaking for supermarket operators nationwide. "The non-aspirin category went crazy," he says. And the net result is increased shelf space (which may or may not be permanent).

According to Towne-Oller (New York), a research tracking service, some 60 new analgesic products, backed by multi-million dollar advertising campaigns, hit supermarket shelves within the past year. The onslaught, no doubt, helped supers claim a 51 percent share of the overall $1.3 billion analgesics market. (Drugstores have a 39.5 percent share and mass merchandisers 9.5 percent.)

"It gets to the point where we have to replanogram every other month," says Nick Mark, HBA buyer for Smith Management (Salt Lake City). Mark, like most other buyers, added between 12 and 18 new analgesic products within the past 18 months.

Those new entries include: St. Joseph's aspirin-free products for both adults and children, by Plough; maximum strength Bayer and Panadol, by Glenbrook; new sizes and capsules in steel canisters, by Bristol-Myers; Anacin 3 regular strength and a complete line of children's drops, liquids, tablets and Arthritis Pain Formula, by Whitehall.

The introductions have done their share to stir up category interest: total sales for 1982 were up 14.2 percent. But it's anyone's guess what will happen once the dust settles.



"We can't weed out the older lines until the new ones prove themselves," says Raley's (Sacramento, Calif.) buyer/merchandiser Greg Smith. But one thing's for certain, "extra strength's coming on strong," and it represents an entirely new area of growth.

"Rather than cannibalizing regular strength sales, extra strength represents more than 20 percent growth in both unit and dollar volume," reports Smith. And he's not alone in his observation.

"Extra strength's where the growth is," says Frances Gray, HBA buyer for H.E. Butt (Corpus Christi, Tex.).

Kent Bargelt, vp service merchandise for West Coast Grocer Co. (Tacoma, Wash.), reports "increased dollars in extra strength," especially from Tylenol. He explains "The consumer is willing to spend almost the same dollars for a stronger formula," but that trend isn't hampering "regular strength aspirin from holding its own." (One retailer speculates that gains in extra strength may be taking from prescription sales.) Although the ratio of non-aspirins to aspirin sales now borders on a 50/50 split, from 60/40 last year, five-grain aspirin sales were up a healthy 17 percent last year (according to SAMI) and show no signs of losing ground; aspirin compounds (Bufferin, Excedrin, Anacin) rose 11.3 percent. Meanwhile, the non-aspirin category showed an annual dollar increase of 9.3 percent, a triumphant return considering the potentially fatal Tylenol scare. To boot, recent SAMI 12-week reports show the category rising by margins of 17 percent and 23 percent.

In the children's sector, aspirins dropped 16.6 percent while non-aspirins jumped a whopping 37.6 percent.

Hot deals and heavy consumer advertising played a vital role in the analgesic growth. Glenbrook introduced Panadol with an impressive 20-25 percent invoice allowance that was soon followed by McNeil's non-introductory allowances of equal measure. Bristol-Myers also jumped on the bandwagon, with generous allowances that helped launch its new capsule products.

Extended dating made new introductions even more attractive. "I've seen some for 90 and even 120 days," says Raley's Smith. "One year ago the norm was 30 to 45 days."

Coupons were popular, ranging in value from 25 cents to $3. (Especially successful were McNeil's $3 rebates last winter.) Ed Van Scoyoc, of First National Supermarkets (Pick-N-Pay) reports "sales increased by six times when coupons for Bufferin and Tylenol hit the papers" at the same time local supers were engaged in a double coupon face off. "Even after the couponing, sales came back almost to normal."

But the golden prize for overall excellence went to McNeil Labs "for the most beautiful and impeccable job" they did to revive sales. Among other things retailers praised McNeil for intensive promotional campaigns, and unity in product line. "Tylenol doesn't segment the market," explains Nick Mark of Smith Management. He points out that brand name differences wreak havoc in the marketplace and cause the already confused consumer to be mistrustful.

Perhaps that's one reason for the apparent failure of Datril. Despite its cost savings to consumers, buyers from coast to coast gave ominous reports ranging from "sales aren't doing well" to being "horrible." Capsule products in canisters received especially poor ratings. "A lot of people wonder what's inside," explains Mark. "The canister can affect the per point distribution."

"The cans take up too much shelf space," agrees Betty Ramsey, buyer for Associated Grocers of Colorado (Denver). Ramsey says customers have "problems" with the can, which is used for all Bristol-Myers capsule products.

But on the whole, capsule sales signify new growth, aside from brands with configuration handicaps. ■

BY MARY CONTE

Teldrin
A.R.M.
SEVERE COLD FORMULA
CONTAC
Ecotrin
ORNEX

SUPERSELLERS

Frequently, Menley & James Laboratories offer promotional discounts and/or special allowances for new distribution, display, advertising, and promoting their product lines. Point-of-purchase and display materials are also available. These offers are practical and usable by all retailers regardless of size.

For details, contact your MenJ Representative, wholesaler, service merchandiser, or write to:
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Philadelphia, PA 19101
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1.05LB@	1.19
CHERRIES	1.25
FRZN FD	2.49
AJAX DETG	1.39
PEBBLES COCO	1.89
KING SOUR	0.89
WR VEGETABLE	0.49
WR PEAS	0.63
FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS

36TH ANNUAL

CONSUMER EXPENDITURES STUDY

SEPTEMBER 1983

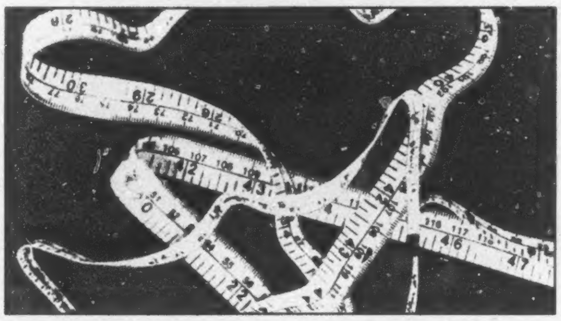
DIET FOODS

Traditional dietetic foods show flat sales, but new "lite" canned fruit and vegetable lines are doing well, as are low-sodium products. Retailers disagree on whether to integrate diet products or create special sections, but all realize that they must carry these items for their customers.

Consumer trends toward health-oriented foods are giving new meaning to diet foods. As consumers look for natural alternatives to dieting they are opting for fresh produce and are also buying the recently introduced canned fruits and vegetable lines which feature low sodium, low sugar and no preservatives.

As a result, supers across the country report that while sales of traditionally dietetic foods are flat, new lines such as the Libby Lite canned fruits and Del Monte no-salt canned vegetable products are hot. Additionally, anything with aspartame—a natural sweetener substitute that tastes just like sugar—is taking off. Dia-Mel puddings and gelatins, Alba 77, Kool-aid and Lipton Iced Tea mix are some of the products using aspartame that are doing very well.

Although traditional dietetic foods (usually taken under the instruction of a physician) are moving slowly, supers must carry certain lines because there are always those persons who request them. However, some supers note that even persons on food restricted diets are changing their buying patterns. Says Bernard Frazier, director of purchasing for Hy-Vee Food Stores (Chariton, Iowa), "Dietetic foods are a very small portion of our business today. People are doing things differently now. They are eating more fresh produce rather than increasing their consumption of dietetic foods."



Cullum Companies (Dallas, Tex.), the parent company of Tom Thumb Supermarkets, reports that sales of its diet products are off dramatically—so much so that it is dropping a major line from its diet sections. Instead, the chain will test market a line of Dia-Mel products (a brand marketed by the Estee Corporation), which include salt- and sugar-restricted dressings, preserves, jellies, soups, sweetener substitutes, cake mixes and puddings.

More significantly, Cullum Companies has added the national brands' no salt and low sugar fruit products to its regular canned fruits and vegetable merchandise. According to Joe Melton, perishable grocery merchandiser for Cullum, "The light fruits and no-salt vegetables have changed the market. They are the trend of the future."

Price Chopper (Schenectady, N.Y.) also reports that "because people are more nutrition-conscious today, we are increasing the number of no salt and no sugar items in our stores," says a spokesperson, who points out that its Del Monte, Featherweight and Libby Lite canned fruits and vegetables are doing especially well.

The trend towards dieting with natural, healthier foods has even caused diet food manufacturers to reassess their lines in an effort to meet the changing demands of consumers following restricted diets. The nutritional rather than the low caloric benefits are being stressed. Even the packaging of some diet lines are being redesigned to make them more appealing to consumers.

Featherweight, a division of Chicago Dietetic Supply, Inc., was a forerunner in the development of diet modified foods for persons placed on a sugar or starch modified diet by a physician. Today, Featherweight is "expanding its reach to appeal to the general market as well as its hard core of dieters and is looking specifically at products that have expanded appeal such as its new line of low sodium snacks," according to a company spokesperson.

Earlier this year Featherweight introduced its first "natural" cheddar cheese, which is 95 percent reduced in sodium. It has also introduced gelatins and puddings sweetened with NutraSweet (aspartame) "which are selling very well," the spokesperson says.

The dietetic foods company will continue, however, to provide products that meet medically modified dieter's needs because of the significant rise in coronary disease and diabetes. The spokesperson adds, "Supers have come to recognize that they need this section for those who have this need."

The Estee Corporation was actually the first dietetic foods company to make the switch to aspartame, when, at the beginning of this year, it added the natural sweetener to its puddings and gelatins marketed under the Dia-Mel brand name. "Sales have been well beyond our fondest expectations," says John Beers, executive vice president of the company. Estee also took its entire line of Dia-Mel salad dressings and removed all the sodium. The results have been "phenomenally successful," he says.

Beers agrees that the dietetic foods industry is taking somewhat of a beating, but he finds the difficulties lie in dietetic canned foods only, an area in which Estee is not involved. He points out that there are certain similarities between what has been called a health food and what has been called a diet food. Low sodium products traditionally have been diet foods, but now they are showing up in health food stores. "These products are having a widening of appeal to the general population," he states, adding that the same is true with low sucrose products. "Canned fruits packed in heavy syrup are losing their appeal and that is why such new lines as Libby Lite are doing so well."

Heinz USA, which directly markets, under the Weight Watchers brand, bread, broth and dried fruit snacks, feels sales are off in dietetic foods because they have "reached a plateau," says a company spokesperson. The company has reformulated its Weight Watchers bread line, changing the names to Wholesome Cracked Wheat, Old Fashioned White and Soft Light Rye, and redesigning the packaging to "give the line pizzazz," she states. The result has been that 70 percent of the consumption of the bread products are by non-Weight Watchers dieters.

Weight Watchers' dried fruits snacks are among its top selling items. This is partially due to Heinz' business-building program, which includes television advertising, joint line promotions using four-color print spreads with coupons, and consumer offers for T-shirts advertising the fruit snacks. Heinz also markets Alba 77, which has just been released with aspartame. "Sales have been excellent here because aspartame has greatly improved the flavor of Alba," says the spokesperson.

Kraft has begun marketing a number of reduced calorie and low fat products and sees the future trend towards lighter foods. It now has in test markets a Light Philadelphia cream cheese and a Miracle Whip reduced calorie salad dressing.

A number of national brand manufacturers of regular canned foods have entered the diet arena with the introduction of no salt and low sugar products. California Canners and Growers, which last year purchased the Libby Lite line of canned fruits, finds that the Libby Lite products are doing slightly better than its Diet Delight canned fruits. During fiscal 1983, 2.6 million cases of Libby Lite canned fruits were moved, compared to 2.1 million cases of Diet Delight. Says Ann Donathan, sales and marketing services manager for the company, "In the long run you will have an easier job with the Libby Lite group than with the medical diet group (Diet Delight). So we've decided to reassess the Diet Delight line as a result of the interest in natural products."

Del Monte too is witnessing the trend towards "less

Continued on page 108

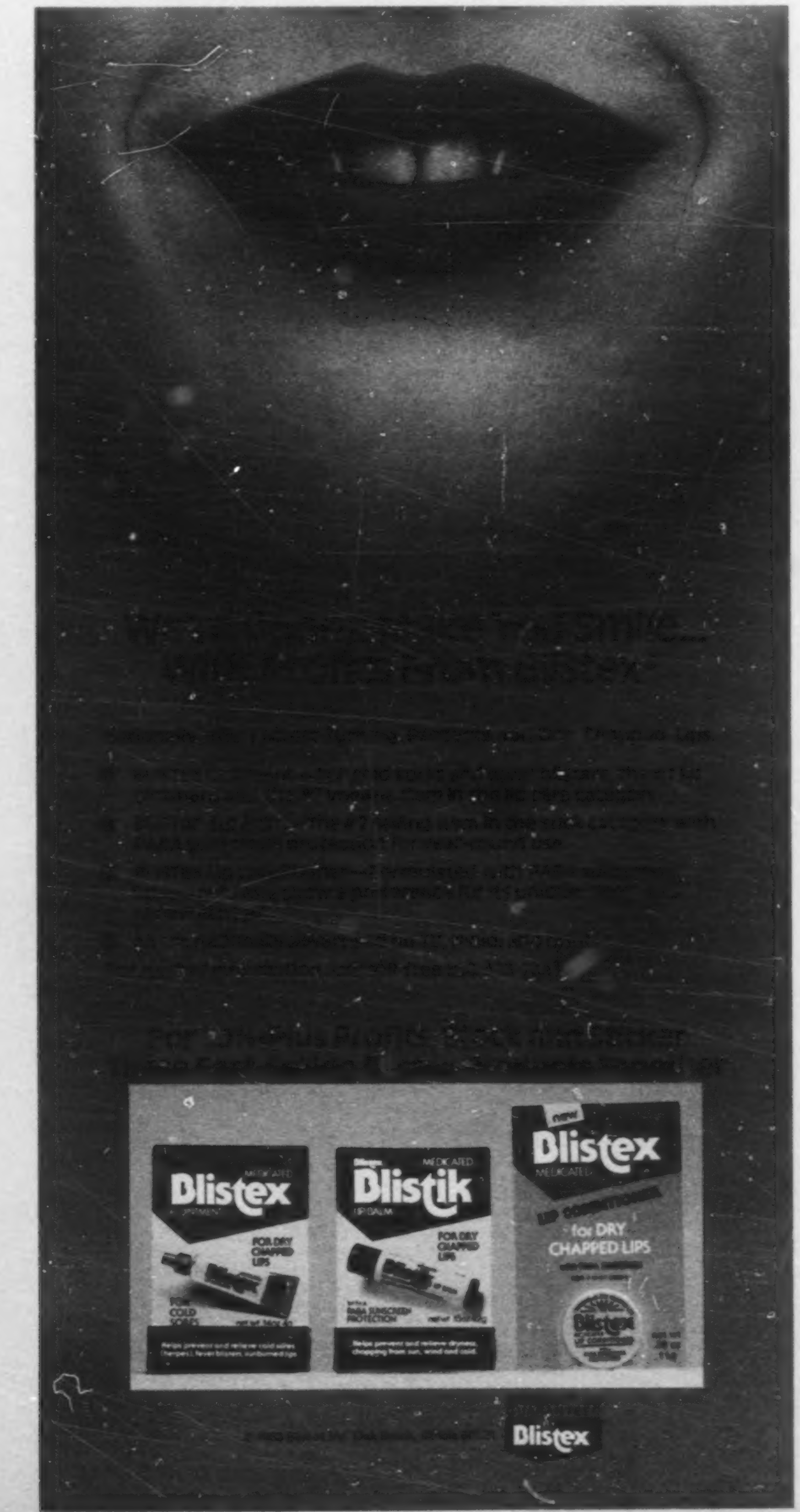
Frozen foods that were once considered 'diet' are just as often now in the frozen 'gourmet' section.

Diet Foods

Continued from page 106

is more." In other words, according to a Del Monte spokesperson, "less salt and less sugar are better for you." A little less than two years ago Del Monte introduced a complete line of Lite fruits and last November the company introduced a complete line of no-salt-added products including 20 different items. Its Del Monte Lite canned fruits represent about 20 percent of its total canned fruit sales and the no-salt line is averaging about the same.

Most manufacturers of both dietetic foods and more natural no sugar, no salt products strongly believe that the slow movement in this category can be partially attributed to the way in which the products are displayed. Says a Del Monte spokesperson, "We consider our new products to be mainstream and we encourage supers to put them mixed right in with their regular canned goods. They should be marketed as healthier, good-for-you products, not diet products."



Featherweight points out, for example, that one of its customers, Jewel Food Stores (Chicago), is integrating the Featherweight line with other lines to create a nutrition center as opposed to a diet center.

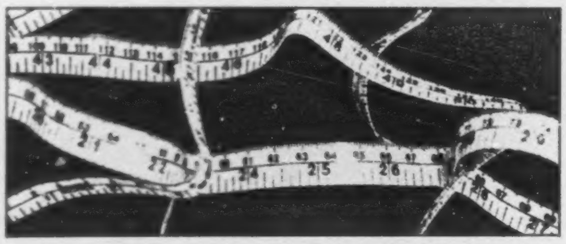
And, says California Growers and Canners' Donathan, "Oftentimes diet foods are in the wrong areas, tucked away by themselves in separate sections. That has a tendency to make them dead. They should be mixed in with the regular canned items just as are the Libby Lite products. This establishes eye contact so that the chances of impulse sales will be greater."

Just how supers display their diet foods varies greatly. The 200-unit Food Lion Stores has a separate diet foods section so that these specialized products "are readily available to the customer," says James Goodwin, vice president of distribution purchasing. In fact, the company increased the space dedicated to diet food sections by about 25 percent—to 12 feet—to see how the category would do. "All it did was spread out a slow category," he says.

Cullum Companies is convinced that separating diet foods from other products is necessary. "Diet products get lost when mixed in with other food categories," says Joe Melton, perishable grocery merchandiser. Cullum's 57 Tom Thumb outlets have in the past featured 16-foot sections, but the company is in the process of reducing them to anywhere from six to 12 feet each.

There are, on the other hand, a number of retailers who definitely agree with manufacturers that diet foods should be integrated with regular foods.

The 59-unit Price Chopper Stores integrates all of its diet foods in with other products. "We treat the category like any other and it moves better this way," says a Price Chopper spokesperson. Price Chopper introduced 50 new no salt and no sugar items this year and reports that Del Monte, Libby Lite and Featherweight are the top sellers.



National Tea Company's New Orleans division employs both methods. Four-foot gondola display sections are set up for diet foods in each of its stores. Its new Lite fruits and no salt canned vegetables, however, are mixed in with regular canned items. Similarly, Fred Meyer, Inc. (Portland, Ore.), with 53 stores in Oregon, Washington and Montana, has 12-foot diet sections for the more traditional diet foods and integrates its new no salt and low sugar canned items with the standard canned products.

Price, obviously, is a tremendous factor influencing the sales of diet foods. For this reason also, the newer no salt and low sugar canned items have an edge over their more traditional diet food competitors since they are usually priced at the same level as regular canned products. Dietetic products, on the other hand tend to be considerably more expensive than non-diet foods.

In fact, a number of retailers have begun selling private labels which, because they sell for less, are doing significantly better than national brands.

Supers also criticize diet foods manufacturers for their failure to provide ample price promotions. Says Food Lion Stores' Goodwin, "The diet foods category needs a lot of work. The price factor is a consideration because it increases consumer resistance. National brand manufacturers support price promotions, but the specialty people do not. What needs to be done in the category is to get prices down so customers do not pay more than what they would for the standard product."

However, because volume tends to be low on dietetic foods, reducing the prices on items isn't always feasible. Rather, as diet food manufacturers develop products that have greater general appeal, they will move closer to solving the problems of an otherwise slow moving category. ■

BY LAUREN YANKUS

```
FRZN FD          0.59
      2@       0.99
   GROCERY        1.98
MR CLEAN TRL     0.39
A&H BAK SODA     0.59
AJAX   14OZ      0.49
FOLGR COFFEE     2.59
CLAM SAUCE       0.89
TOTAL           23.33
TAX-1            0.21
TOTAL           23.33
CASH TND        30.00
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SUPERMARKET BUSINESS

36TH ANNUAL

CONSUMER EXPENDITURES STUDY

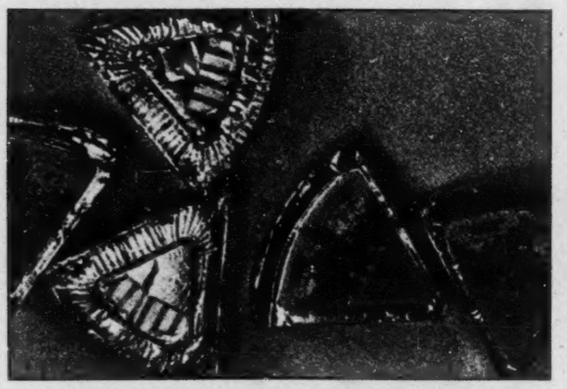
SEPTEMBER 1983

DAIRY

Flavor, variety and convenience are the touchstones for dairy product consumers, and they haven't been disappointed by supermarkets' offerings in 1982. New products are going into the dairy case every month and consumer acceptance is high.

Cheeses are generating interest nationwide—every buyer surveyed mentioned several varieties selling well in his region.

A large Northwestern chain cites the Land O'Lakes "four quart cheeses" as fast movers; this line of packaged cheeses is promoted as having four quarts of milk to every pound of cheese and includes colby, block cheddar, half-moon brick and American. "Land O'Lakes stayed in the bulk cheese area until about three years ago," said the dairy buyer for the chain. "Now they're in the packaged cheese business to stay and they're committing a lot of manufacturing and promotional support to it. They're selling very well for us."



Pre-sliced cheeses are still popular; Borden introduced six new types of cheese slices and Kraft introduced four in 1982. Both brands are turning fast at the Boys Market (Los Angeles).

Despite the traditional popularity of "natural" foods on the West Coast, the number one selling sliced cheese, is imitation. One buyer there considers low price the primary reason for its popularity. Nationwide however, the trend seems to be away from imitation dairy products.

Consumer demand for "real" dairy products is being fueled by the American Dairy Association's "Real Seal" campaign; sour cream, whipping cream, cheeses, etc., carry a special insignia to differentiate them from their coconut oil and miscellaneous chemical-based counterparts. Massive media support including prime-time TV commercials, with Vincent Price urging viewers to "Look for the 'Real Seal,'" are creating a tangible impact on retail sales. Even the government is rallying to the side of the ADA; recently the FDA passed a requirement that no less than 50 percent of the toppings on frozen pizza may be imitation cheese.

Sometimes an "old face in a new space" is all it takes to create a sales spurt, as the manufacturers of cottage cheese in four ounce cartons have discovered. An Eastern chain stocking Hood brand cottage cheese combos has found immediate, tremendous demand for both the plain and flavored varieties.

A buyer notes: "It's an example of a built-up demand waiting for someone to recognize it. These four-ounce cartons are proportionately much more expensive than the 12- or 24-ounce containers but they're worth it in terms of convenience. Every dieter in the world knows that four ounces of low fat cottage cheese has 100 calories and so these make a perfect diet lunch for a businessman or woman."

Many chains have recently begun to stock low-salt varieties of cheese, including the new no-salt-added cottage cheese, but sales are reported to be fair to poor. Low fat varieties, such as farmer cheese, hoop cheese and uncreamed cottage cheese show similar sales curves. "They're just not that tasty ... you can try to promote them and people might try them once but there's not much repeat demand," complains one buyer. Still, most supers offer a limited selection to accommodate those customers whose diets require them.

Cheese spreads are selling well. Port wine-streaked cheddar spreads from Wisconsin, taco and bacon flavors all are available. Philadelphia Brand Cream Cheese has high acceptance, and their new fruit-flavored soft cream cheeses in 8-ounce tubs are popular. They're often the target of POP campaigns and sell briskly during these specials when the price drops to 99 cents or $1.09.

Yogurt continues its popularity. "It's definitely a staple now, not a novelty item at all," explains a West Coast buyer, and buyers elsewhere agree. Most of the 70 Brookshire Food Stores (Tyler, Tex.) area carry complete lines of three or four brands which fill a six-to eight-foot case. New products include Yoplait Breakfast Yogurt, a granola fruit yogurt mix and the new custard-style Yoplait.

Chilled juice sales are still on the rise; many super stores carry as many as four brands of chilled orange juice alone, as well as other juices, punches, and fruitades.

A spokesperson for the Milk Industry Association (MIA) cited flavored milks as the "hot new item." Test marketing has been promising and these banana, strawberry and vanilla-flavored sweetened milks are appearing in the dairy case next to the perennial favorite, chocolate.

Joe Welch, dairy buyer for Piedmont Grocery Company (Oakland, Calif.) agrees. "We've introduced Cooks Dairy Products' Chocolate and Vanilla Milks in the past year. They're really selling."

Another new item at Piedmont is Bavarian Whipping Cream, a presweetened vanilla flavored variety.

The MIA attributes the resurgence of cream sales to new pasteurization technology. "Ultra-pasteurized cream must still be refrigerated, but the high temperature processing means it keeps much longer than ordinary cream. It's winning back sales from non-dairy products," claims the spokesperson.

He predicts that another process by which the milk and container itself are totally sterilized, called VHT (very high temperature) processing, will be the wave of the future in dairy products. This process yields milk that needs no refrigeration at all; it'll keep on the pantry shelf until ready to be chilled and served. As yet, no supermarket surveyed reported a demand for VHT milk, however.

Refrigerated dough products are big with consumers and Pillsbury has expanded on the idea with the introduction of its "Hot Loaf." These are ready to bake single loaves of bread in several flavors. "They're surprising us with sales consistency," commented an East Coast buyer. "They were introduced last fall and did very well over the winter. We expected a sales slump during the summer months but it just hasn't materialized."

Another winner from Pillsbury is ready-to-bake tins of pie crust, two to a package. "They're great for

Continued on page 114

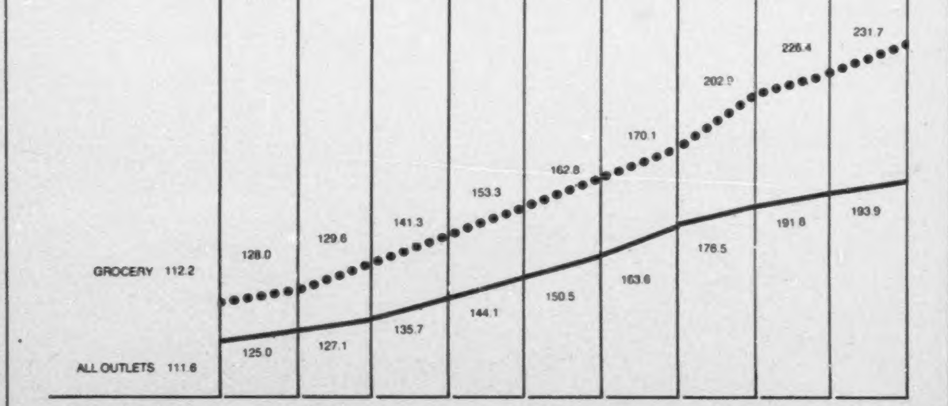
With the great variety of new products on dairy shelves, consumers had a lot to choose from—and choose they did, prompting the category to have good sales in 1982. Still popular: pre-sliced cheeses, specialty cheeses and the new "staple": yogurt.

DAIRY SECTION

10-YEAR INDEX OF SALES 1972-1982

BASE YEAR—1972 = 100.0%

(Add 000)	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
ALL OUTLETS	$19,153,410	$21,432,670	$21,797,030	$23,301,020	$24,732,920	$25,833,000	$28,086,310	$30,288,150	$32,905,930	$33,264,240
GROCERY	$ 8,376,250	$ 9,557,300	$ 9,805,790	$10,551,030	$11,443,700	$12,158,730	$13,383,850	$15,150,920	$16,899,840	$17,298,470



TAX-1 0.21
TOTAL 23.33
CASH TND 30.00

SUPERMARKET BUSINESS
36TH ANNUAL
CONSUMER EXPENDITURES STUDY
SEPTEMBER 1983

AUTOMOTIVE SUPPLIES

High service labor rates, eye-popping new car sticker prices and the convenience of one-stop shopping continue to add fuel to supermarket sales of automotive aftermarket products to do-it-yourselfers.

In a check of food chains around the country and the people who supply them with car care products through various distribution channels, it was evident that although more people are tackling ambitious repair and maintenance projects to keep what they have looking and driving good, for food chains it remains a business made up mainly of non-complicated maintenance and appearance items—such as motor oils, additives, chemicals, waxes and accessories.

Although more people are tackling ambitious car repair and maintenance projects, for the food chains it remains a business mostly made up of non-complicated maintenance and appearance items.

But even with tightly tailored automotive departments, supermarkets aren't taking a back seat to other non-automotive chains, which in many instances do offer wider product coverage.

This point was made by *Home & Auto* magazine in a 1982 survey of non-automotive chains. For the fifth consecutive year, supermarkets led the automotive sales parade, followed by hardware, drug and home center chains.

The *Home & Auto* survey showed food chains ringing up $1 billion, $50 million in sales—accounting for 39 percent of the total $2.7 billion aftermarket volume recorded last year by non-automotive chains.

Dramatic increases in the category posted by food chains in recent years, however (nine percent in 1981), were tempered by a 4.5 percent setback in 1982, according to *Home & Auto*. Except for increased competition, which undoubtedly diluted supermarkets' performance a bit, the chains contacted by SUPERMARKET BUSINESS claimed to be holding their own or doing better than the *Home & Auto* report suggests.

Lloyd Shelley, manager of Harmons (Granger, Utah) notes that he is averaging about a five percent increase annually with car care products. "But a lot of competition has come into the area, from within the grocery industry, and they carry many of the same items we do," he says. Don Hastert, general merchandise department manager, Dick's Supermarket (Platteville, Wis.) says, "I believe we are staying even with last year. Automotives have settled down to just being a good, steady department."

The food chains that have been in automotives five years or more claim that the category is far from running out of gas.

One who shares this opinion is Terry De Spain, buyer at Foods Co. (Los Angeles). "The business will not only stay with us, but it's a category I'm sure will grow," he says. Not necessarily in terms of increased space at Foods Co., "but in terms of increasing consumer acceptance."

Foods Co. was one of the first in its area to enlarge aftermarket departments, 11 years ago. The chain devotes from 16 to 24 linear feet to the department, and De Spain says "I'd definitely like to expand that."

Bud Ferre's company, AADCO, (Salt Lake City, Utah) distributes car care products to a network of 300 supermarkets in Utah, Idaho, Wyoming, Montana, Oregon, Washington, Nevada, Colorado and New Mexico. And in Ferre's estimation, automotives are gaining strength.

"We see a distinct uptrend in department size," he says. "One aggressive chain in particular is expanding the category from 16 to 24 linear feet, in addition to putting more stores on the program all the time. They send schematics to all their stores, so it's not a hit and miss proposition. They're going about it the right way."

Darryl Fitzgerald, Winn-Dixie (Atlanta, Ga.) echoes the uptrend. "In the past we've been very conventional grocers," he says. "Now, we are expanding our entire general merchandise sections, so we will be expanding the automotive line."

Giving token footage to automotives isn't enough to make the department a success. "It's successful with those people who give it adequate shelf space and promote it. Stores with only four-foot sections might as well not be in the automotives business," observes Rob Hardesty, Corn Bros. (Smyrna, Ga.), which services distribution centers. In agreement is Masters Supply Co. (Hickory, N.C.), distributor to wholesale grocers and rack jobbers. President Dick James states that "stores giving the linear footage to automotives find it's one of the best nonfood categories—and it has been for the last couple of years." Grocery stores and automotive "are a real good marriage," says James.

But, as it is with most marriages, it can take a while to cement the relationship. Jim Denny, nonfoods mer-

Continued on page 114

GROCERY STORE CONTRIBUTION TO VARIOUS GM* INCREASES 1982-1981

	1982 SALES (000)	1981 SALES (000)	1982-1981 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Magazines & Newspapers				
Grocery stores	$ 1,011,030	$ 979,320	$ 31,710	9.2%
All outlets	$ 6,532,610	$ 6,187,590	$ 345,020	
Flashlights & Batteries				
Grocery stores	$ 372,680	$ 307,340	$ 65,340	26.6%
All outlets	$ 2,582,450	$ 2,336,900	$ 245,550	
Motor Oil & Additives				
Grocery stores	$ 268,590	$ 267,170	$ 1,420	31.8%
All outlets	$ 1,267,540	$ 1,263,080	$ 4,460	
Photo Film & Processing				
Grocery stores	$ 713,970	$ 614,480	$ 99,490	30.7%
All outlets	$ 4,811,350	$ 4,486,750	$ 324,600	
Pet Accessories				
Grocery stores	$ 572,730	$ 537,240	$ 35,490	81.7%
All outlets	$ 1,691,060	$ 1,647,580	$ 43,480	
Women's Hosiery				
Grocery stores	$ 601,930	$ 584,920	$ 17,010	13.0%
All outlets	$ 3,231,590	$ 3,101,110	$ 130,480	
Stationery				
Grocery stores	$ 116,250	$ 113,170	$ 3,080	9.5%
All outlets	$ 552,530	$ 519,970	$ 32,560	
Household Glassware				
Grocery stores	$ 137,150	$ 131,570	$ 5,580	11.7%
All outlets	$ 984,540	$ 936,700	$ 47,840	
Greeting Cards				
Grocery stores	$ 267,240	$ 228,020	$ 39,220	14.1%
All outlets	$ 2,674,820	$ 2,396,790	$ 278,030	

*Excludes HBA & Rx

Automotive Supplies

Continued from page 112

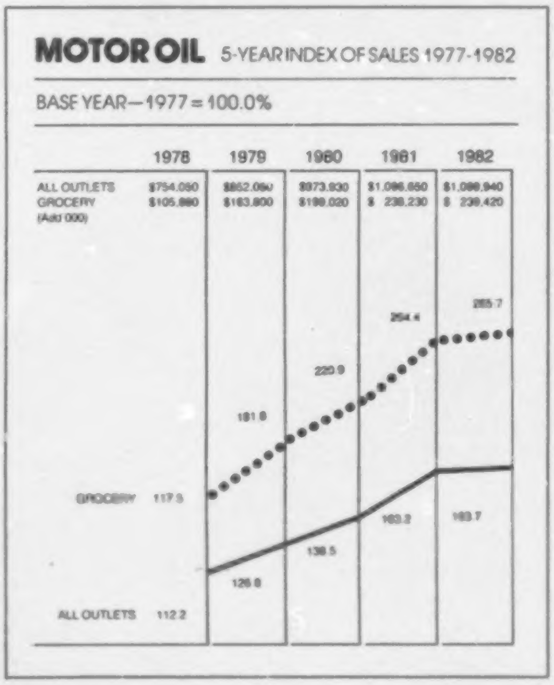
chandiser, Dierbergs (Chesterfield, Mo.) is still looking for the right formula.

Dierbergs took on car care products two and a half years ago, and now has the category in all six stores. Departments range from four to 16 feet. "I wouldn't say we've ever been successful at it, because we didn't have a full line," concedes Denny.

With Dierbergs' seventh store soon to open in St. Peters, Mo., including 48 linear feet of automotives, Denny thinks he's finally on the right track. He plans plenty of promotional push, particularly with motor oil and filters priced a few points above cost. He figures to make it up on the waxes, chemicals, headlights, car mats, replacement wiper blades and dozens of other accessories. "Once and for all, we're going to find cut what we're doing—right or wrong," he notes.

Strong promotions are clearly the tail that wags the dog. With oil going out at seven to eight percent over cost, the gross margin on accessories is a bit better than 30 percent at Sick's Supermarket. Foods Co. runs oil throughout the year, backed with two summer promotions that feature coolants, battery cables and some additives. "Aggressive as we are, I'd say we still run a good 28 to 30 percent gross with the department," reports Terry De Spain.

Automotives, however, may not be for everyone, and for a variety of reasons. After three years, and going from eight-foot sections down to four linear feet, Jumbo Markets (Sacramento, Calif.) put the brakes on the department. "The discounters were beating us down; we just couldn't get a competitive price on motor oils. Then too, we never got a handle on the right mix of products," says buyer Ray Mar. Some Jumbo Markets still carry oil, but strictly as a convenience, not a draw.



Because many automotives are an impulse sale, a steady flow of new items is required to keep the car care department active.

Foods Co. introduced nearly 50 new items last year, most of them accessories. Air fresheners are big sellers at this chain. Hugh Wallace, auto buyer at Albertson's nonfoods distribution center in Boise, Idaho, takes on upwards of 30 new items a year. He has discontinued headlights, but does a good job with an assortment of replacement bulbs.

John Johnson, buyer at Food Giant (Atlanta, Ga.) stocks oil filters covering six of the more popular numbers. Although sales are only moderate, Johnson says he needs them to complement the department. De Spain at Foods Co. says, "We haven't really educated consumers to where they are comfortable buying these commodities in our stores." Harmons, on the other hand, reports good movement with both air and oil filters, and restocks the department twice weekly. Explanation: "Here, the population is low to medium income—people who tend to know what they need to do the job."

If there is a problem with automotives in food chains, it can best be summed up as not having enough space, and constant concern over whether the right items are on the shelves. The buyer for a 10-store chain thinks manufacturers and wholesalers need to take a fresh look at supermarkets. "There are probably areas of the automotive category that can fit into the supers, that we aren't in now," he claims.

Lanny Gartzman, vice president of ASC Products (Los Angeles), an automotive feeder to some 600 stores in three western states, has a reply. "There are all kinds of things that might sell in these stores, but you can't get another foot of space. And you can't give up what you know is selling to try something else. If we had another foot in 600 stores, we could go crazy."

With automotives, as with most other categories in food chains—it's a familiar story. ■

BY FRANK ZDY

Giving token footage to automotives isn't enough to make the department a success. "You have to give it adequate shelf space and then promote it," says a retailer.

Dairy

Continued from page 111

easy quiches, so they probably sell some eggs, cheese and milk or cream," a pleased buyer feels.

Few chains reported real losers in dairy. Piedmont dropped several unpopular flavors of yogurt and a "kosher" yogurt line. The Boys Market was disappointed with sales of gourmet cheeses and has stopped offering many of them. Other chains, however, consider these items a real draw and have expanded their offerings.

One chain firmly committed to specialty cheeses is Brookshire Food Stores. This 70-store company has more than a dozen superstores of 30-40,000 square feet and all of these have at least a 12-foot open case of specialty cheeses called "International Cheese Centers."

Seventy-five percent of the cheese sold from these islands is imported, and cut and wrapped in the stores. Although the International Cheese Center sales are only 10-15 percent of those of dairy case cheeses, these displays are focal points for storewide promotions and do draw customers to the store.

Surrounded by specialty crackers and breads, this department cultivates the impulse purchase. Promotional campaigns such as a "Bastille Day" celebration highlighting French cheeses and a swiss cheese promotion proved popular. The swiss promo featured an extra-large block of Ementhal Swiss cheese; customers tried to guess the weight and the winners received Swiss watches.

The cheese shop is also promoted through frequent demos of cooking with these cheeses. Free samples are continually being offered, as are recipes. Educational information and recipes often appear in the chain's weekly two-page ads and the instore home economist also offers advice on how to serve these special cheeses.

"Our latest store in Plano, Texas, has the best cheese department yet," claims Fields. This store features a "Y" shaped island. The three eight-foot legs give almost 70 linear feet of space with room for many tie-in items above and below.

"Customers are so well-informed here—they tell us what they want and how to use it . . . it's not a question of us educating the public; they're educating us!"

Brookshire is totally committed to this concept; International Cheese Centers are going into all new stores and it is introducing many in existing stores.

Dairy promotion support from manufacturers is great, say the buyers, and the American Dairy Association's activity is effective too. Most chains which run weekly newspaper ads feature three to four dairy products per week. A typical scheme is to offer specials on two to three basics and then feature a newer specialty item such as a flavored cream cheese or a butter-margarine blend.

The dairy industry predicts that total sales will remain fairly steady, keeping pace with population growth, but not moving ahead.

Within the category, increasing margarine sales and butter-margarine blends are being seen and lowfat milks are making some inroads on whole milk sales. Big winners are cheeses, not only for their dollar value in sales, but also for the image they foster of the stores that merchandise them well. ■

BY BRIDGET JOHNSON

WR PEAS	0.63
FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET BUSINESS
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SEPTEMBER 1983

VITAMINS

Vitamins had a good year, bolstered by new entries and steady private label sales. The market is being divided between "natural" and "synthetic" vitamins, too.

Last year, the vitamin industry had a lot of pep. Sales were bolstered with an explosion of new entries and steady gains in private label brands.

In addition, there are two strengthening trends in the category: the market is being split between "natural" and "synthetic" vitamins; and there is a strong movement towards merchandising vitamins in two separate sections at the supermarket—in HBA and in the natural foods section.

Supermarkets last year accounted for 35 percent of vitamin sales, up slightly from the year before, according to the latest Consumer Expenditures Study figures. The category as a whole increased 31 percent.

Prime growth is in natural vitamins. "Natural vitamins are outselling synthetic vitamins," says Dave La France of Springfield Sugar, in New England. Elsewhere, natural vitamins *are* increasing their share, but synthetics are holding their own, say retailers and wholesalers in other parts of the country.

One reason for the growth in natural vitamins is the perceived "purity" that impresses many consumers. And as for being merchandised in the store, it's a logical step from the HBA section to the natural foods section for natural vitamins. It's a way for retailers to capture the vitamin consumer who had previously shopped natural and health food stores.

"Natural food vitamin sections in supermarkets increased by 40 percent last year," according to Dr. Randi Neiner, a spokesperson for the Council for Responsible Nutrition.

Among the chains with a natural foods/HBA center are Safeway (Oakland, Calif.), Giant Food (Landover, Md.), Smith's Management Corp. (Salt Lake City), Tom Thumb (Dallas), Raley's (Sacramento, Calif.) and Vons (El Monte, Calif.). These stores usually carry a selection of natural vitamins that is separate and different from the standard vitamin department merchandised in HBA or drug. There are usually two or more lines of natural vitamins—the kind established in health-food stores and a line of private label natural vitamins.

On the wholesale side, this cross-merchandising of vitamins in the natural foods section is gaining favor also. George Novicoff, director, general merchandise, for Certified Grocers of California (Los Angeles) organized a natural vitamin program geared to the health food and specialty food consumer. "A 16- to 20-foot health food section can have a decent line of vitamins anchoring—four feet, five or six shelves," Novicoff says.

And whether or not a store has a separate nutrition center, Novicoff recommends that retailers cross-merchandise natural vitamins with natural HBA products, like Tom's of Maine toothpaste. This promotes a "health food concept," he says, one that's crucial to increased natural vitamin sales.

Although this cross-merchandising is popular, not everyone adheres to it. Sav-A-Stop (Oklahoma City), for example, gears its vitamin program to the regular consumer, instead of the "hard-nosed vitamin buyer. That consumer won't be swayed unless she's given a wide variety of choices and a vitamin expert to help her," claims Tom Ash, Sav-A-Stop's director of merchandising, who spent several months researching and designing Sav-A-Stop's program.

"For a supermarket to capture the bulk of the vitamin business, the retailer has to carry so much more inventory that the return on investment diminishes," Ash says. But he feels that Sav-A-Stop's enlarged program, of 50 SKUs, is complete enough to attract both the ordinary and specialist vitamin consumer.

The program features natural and synthetic vitamins, but especially important is POP informational material. "Anytime people put something in their mouths, they want to know what it's going to do for them."

On the manufacturing side, a lot is being done to bolster sales. Lederele Labs has introduced two new products for athletes, Spartus and Spartus with Iron, among other new entries.

Vicks has a new line—Lifestage. There are six formulations—a multiple vitamin for each member of the

Continued on page 119

HBA'S TOP 10* IN 1982

RANK 1982	RANK 1981	ITEM	GROCERY STORE SALES (000) 1982	% CHANGE 1982 VS. 1981
1	2	Analgesics, internal	$650,460	14.7%
2	1	Shampoo	646,310	8.8
3	3	Toothpaste	585,720	8.5
4	5	Routine infant formulas	563,350	19.8
5	4	Sanitary napkins	508,790	10.8
6	7	Vitamins, tonics	411,220	31.3
7	9	Eye makeup products	343,170	21.6
8	8	First aid products	315,590	9.2
9	6	Razor blades	286,100	8.2
10	10	Tampons	212,070	9.4

*Non-Rx only

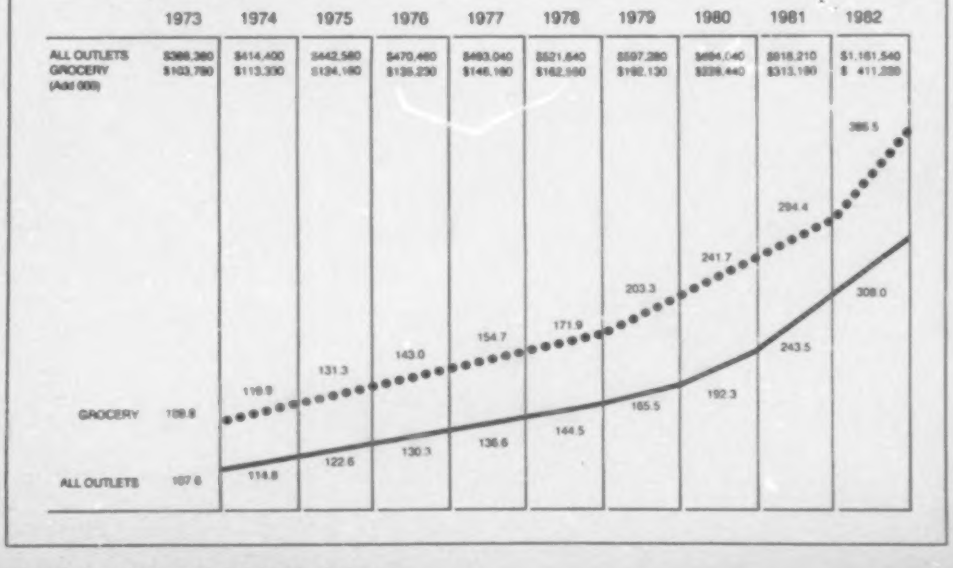
HBA'S 12 FASTEST GAINERS

1982 RANK	1981 RANK	CATEGORY	'82 GROCERY STORE SALES (000)	% INCREASE FROM 1981
1	2	Stick deodorants	$162,660	33.7%
2	1	Contact lens solutions	17,650	32.4
3	3	Vitamins and tonics	411,220	31.3
4	**	Hand creams	5,410	23.3
5	11	Hypoallergenic infant formulas	163,250	23.2
6	6	Eye makeup	343,170	21.6
7	**	Menstrual analgesics	19,010	21.4
8	9	Hand and body lotion	108,940	20.8
9	**	Face lotions and astringents	11,110	20.2
10	**	Face cream	123,720	20.1
11		Routine infant formulas	563,350	19.8
12	**	Synthetic sweeteners	64,310	19.8

*Non-Rx only **Not in 12 fastest gainers in 1981

VITAMINS, TONICS

10-YEAR INDEX OF SALES 1972-1982 BASE YEAR—1972 = 100.0%



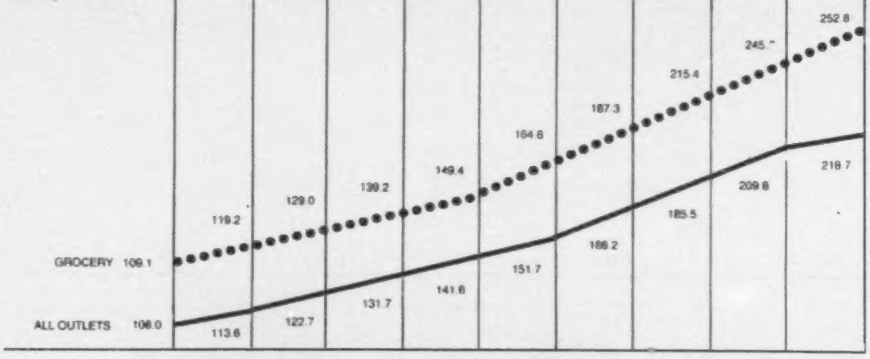
INCREASES IN GROCERY STORE MARKET SHARE FOR HBA

	1982	1981	1980
Acne preparations	18	18	17
Adhesive bandages	56	55	54
Aerosol shaving cream	45	44	40
After shave lotions	33	32	32
Antacids (effervescent)	50	50	48
Antacid liquids	40	39	39
Antacid tablets, pills, gums, lozenges	53	53	51
Antacid powders	42	42	42
Bobby pins	26	25	25
Bulk type laxatives	12	12	12
Cold tablets, capsules	50	49	28
Color shampoo	23	22	20
Coloring preparations	15	15	15
Contact lens solutions	8	7	6
Cotton balls	36	36	35
Cotton swabs	58	57	56
Cough & cold salves, ointments	36	36	35
Cough drops	33	34	33
Cough syrups, elixirs, expectorants	21	20	20
Cream deodorants	42	42	41
Denture cleaners	45	43	43
Diarrhea remedies	51	51	49
Eye lotions, washes	43	42	41
Eye makeup products	19	19	17
First aid kits	52	52	51
Gauze bandages	23	23	23
Hair brushes	32	31	42
Hand & body lotions	38	37	35
Hemorrhoidal suppositories	28	27	26
Home permanent kits, refills	20	20	33
Hypoallergenic infant formulas	85	84	68
Liquid douches	33	32	32
Makeup bases	5	5	5
Manicure implements	27	26	50
Medicated shampoo	51	50	49
Men's hair dressing	49	48	48
Menstrual analgesics	44	44	43
Mouthwashes, gargles	50	47	46
Nail enamel removers	21	21	21
Nail polish & enamel	13	13	13
Nipples & pacifiers	43	42	42
Nursing bottles	18	18	18
Pin curl clips	35	35	35
Razor blades	47	47	57
Reducing preparations	26	27	14
Roll-on deodorants	43	43	40
Routine infant formulas	84	84	77
Sanitary napkins	62	62	65
Stick deodorants	61	62	43
Suntan lotions & oils	17	17	17
Synthetic sweeteners	71	71	67
Tampons	59	59	57
Toothbrushes (non-elec.)	32	31	31
Toothpaste	64	63	58
Women's hair dressing & conditioners	45	45	45
Women's hair spray	46	45	45

HEALTH & BEAUTY AIDS (Non-Rx)

10-YEAR INDEX OF SALES 1972-1982 BASE YEAR—1972 = 100.0%

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
ALL OUTLETS	$11.669.930	$12.510.160	$13.510.970	$14.497.270	$15.584.560	$16.706.650	$18.293.780	$20.933.310	$23.671.800	$24.673.940
GROCERY (Add 000)	$ 3.932.420	$ 4.294.930	$ 4.647.170	$ 5.011.840	$ 5.382.560	$ 5.929.120	$ 6.744.560	$ 8.044.220	$ 9.163.320	$ 9.443.020



VITAMINS
Continued from page 16

Continued pg22

SHARE THE WEALTH...
Put the #1 selling cold tablet in pharmacies on your shelf*

Sudafed S.A.
SUDAFED PLUS
sudafed syrup
SUDAFED COUGH syrup
12 HOUR
SUDAFED PLUS
sudafed 30 mg tablets
Sudafed S.A.
12 HOUR
#1 SELLER

SUDAFED is the #1 selling cold tablet*

According to Pipeline data, SUDAFED 30 mg tablets in packages of 24s leads both Contac® and Dristan® in pharmacy sales.

And you can continue to draw on an already profitable picture by displaying the entire SUDAFED line:

SUDAFED® S.A.
A sustained-action nasal decongestant for potent 12-hour relief without drowsiness. (Available as 120 mg capsules in packages of 10s and 40s. Not recommended for children under 12 years of age.)

SUDAFED® PLUS
For symptomatic relief of colds and allergy.

SUDAFED® COUGH SYRUP
For potent cough relief.

SUDAFED® SYRUP
For reliable decongestion — tasty raspberry flavor.

SUDAFED®...A complete line of cold products to improve your "bottom line"
(pseudoephedrine hydrochloride)

WR PEAS	0.63
FRZN FD	0.59
2a	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

BEER

Strongest movers in beer are imports and low-price brands. The premium domestic beers still have the biggest market share, but on the whole, the industry continues its flat sales, with only modest growth seen for the next few years.

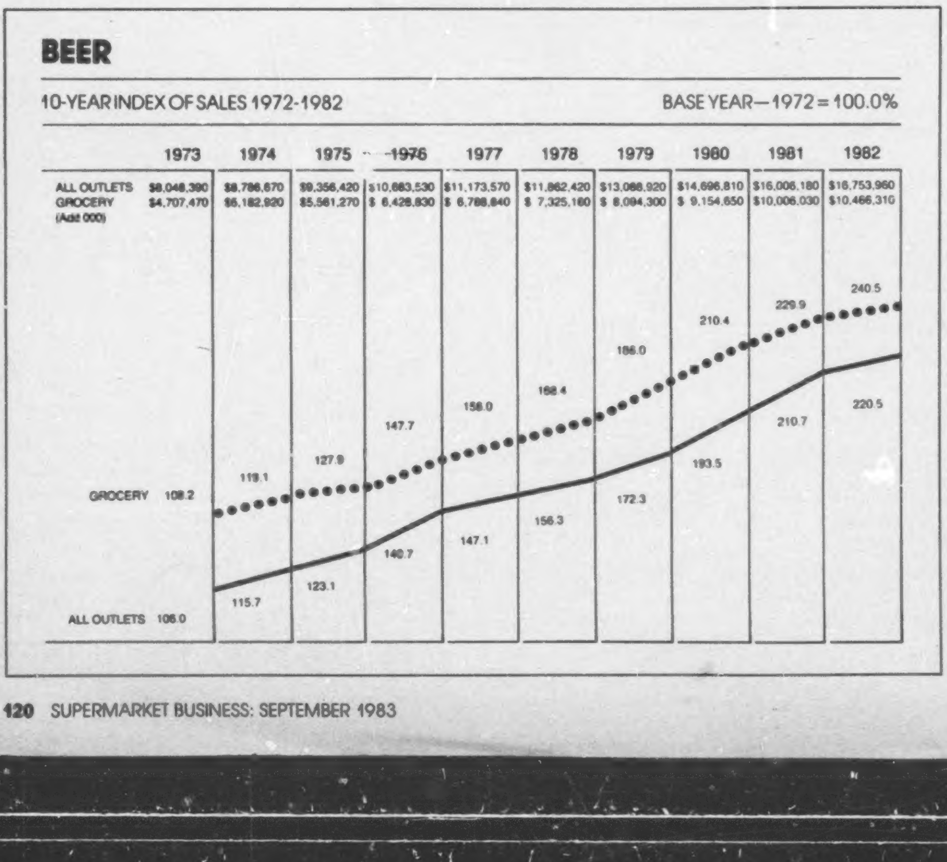
The beer industry is not recession proof, as American brewers realized last year. Sales grew only slightly over the year before. And in 1983, the picture is pretty much the same.

The only strong growth is being seen in imported beers (which have a small market share) and in popular-priced beers. More American beer consumers seem to be like many other consumers today: opting for higher- or lower-priced items. There is little movement in the mid-range, premium beer category, although it still accounts for the largest amount of sales.

And because of relatively flat sales so far this year, coupled with the strengthened competition that has resulted from some recent company realignments, there is a lot more aggressive promoting and advertising of beer. It's a market now in which a lot of large breweries are seeking to have strong—or stronger—national beers (despite sluggish industry sales) in order to compete against the number one Anheuser-Busch and number two Miller. The marketplace is more combative than ever before. Many brewers feel, though, a little concern over "a real problem of overcapacity" that might ensue with many national brands, says Gary Truitt, director of marketing development for the Adolph Coors Brewing Company. A glut of national brands could mean even more sluggish sales over the next few years. Nonetheless Coors, for one, is committed to being a strong national brewer. And other large breweries of the country, such as Pabst, Heileman and Stroh, are trying to punch up sales of their existing national brands.

The nation's largest brewer, Anheuser-Busch, still has the strongest national brand: Budweiser. And where most other brands are posting slow or decreased sales, Budweiser continues to increase sales. For Anheuser-Busch as a whole, beer volume sales for the first six months of 1983 were 30.5 million barrels, a 3.3 percent increase, compared to 29.6 million barrels for the same period last year.

The company's popular-priced beer, Busch, is available in 28 states and is a strong seller. In fact, in some markets, like Missouri and southern Illinois, it outsells Budweiser. Right now, however, there are no plans to increase distribution, because of capacity demands. In case the movement towards popular-priced beer continues to surge upward across the country, though, the company will try to meet the demand.



The company's major success in 1982 was Budweiser Light, which, in its first year (when light beer slowed its rapid sales growth), became the nation's second largest selling light beer, with 12 percent of the light beer segment. Sales continue to be impressive this year.

The number one light beer is still Miller Brewing Company's Miller Lite. It continues to sell well. The premium Miller High Life was down in sales a bit last year, but remains the nation's second most popular beer.

But Miller Brewing seems to be taking advantage of the move to higher- and lower-priced brews.

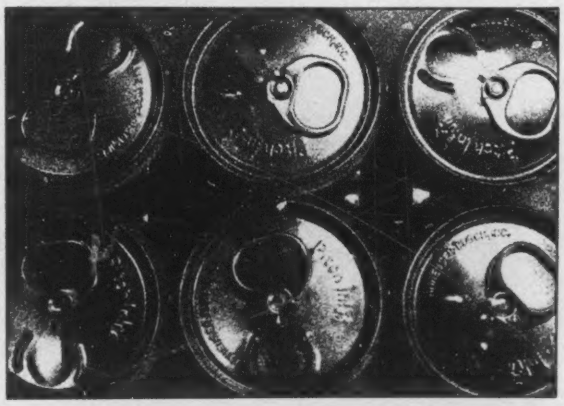
It has introduced the popular-priced Meister Brau in select markets in 26 states. And so far, "Meister Brau's performance has been superb," says Michael Boykin, the brand manager for the beer. "It's been well beyond our expectations."

Advertising for Meister Brau aims directly at the premium-priced competition: "It Tastes as Good as Budweiser, At a Better Price," says the theme.

The beer is available in cans right now, and bottles will be introduced shortly.

At the upper end of the scale, Miller has begun importing Calgary beer from Canada, perhaps hoping to tap the lucrative Canadian import market (with Molson, Labatt's and Moosehead already selling strongly here). It is now available in Baltimore, Cleveland and Springfield, Mass., and will be introduced elsewhere depending on its success in the marketplace.

The Stroh Brewing Company is expected to continue Stroh's expansion into other parts of the country. The company now has Schaefer and Schlitz, making it the third largest brewer. Schaefer is being distributed nationally now, and is doing extremely well, the company says.



The only large brewer to show a major increase lately has been Heileman, the nation's fourth largest, which acquired some Pabst and Olympia breweries in 1982.

"It was a record year for us," says Russel G. Cleary, president and CEO of Heileman. "In the second quarter we were up 40 percent in sales and 32 percent in earnings." New plant acquisitions are doing well, Cleary says. This year, however, "total industry volume has been flat, for the first time in many years, which has touched off price competition. Our ad promotional budgets are up significantly."

Aggressive advertising

At Pabst, the feeling is the same. "The industry is soft at this point in terms of total beer volume," says Richard Ratcheson, vp-advertising for the brewery. "We see flat sales in beer for the year ahead." As a result, "we're becoming more aggressive in our advertising and promotion activity."

For example there is now full network advertising for Pabst Blue Ribbon, a premium beer, and for Hamm's, which falls into the company's popular price category. Other Pabst beers are Olympia and Olde English 800.

The company also has "significantly" doubled promotion allowances, and is doing more theme promotions, "to gain distribution and display space in supermarkets."

The Coors Brewing Company is also working harder to get more space at supermarkets. Gary Truitt says the company is hiring more people who are familiar with national chains, who are as "sophisticated and intelligent as supermarkets are becoming."

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Vitamins

Continued from page 119

family. There's a woman's extra iron, a men's high-potency, a stress formula for men, another for women, a multiple for teens and one for children. The rollout begins this fall, with an $11.5 million consumer promotion budget.

Elsewhere, manufacturers are promoting their products with extensive POP material. P. Lenier promotes its Your Life brand with an intensive vitamin information program that includes an explanation on each bottle of how the specific vitamin functions in the body. There's also a vitamin sourcebook for clerks or druggists, and an ad copy book explaining what benefits each vitamin offers.

Pharmavite is putting special emphasis on window banners, shelf talkers, instore ad flyers and co-op advertising in its promotion for NatureMade.

After sorting through all the information, and all the types of vitamins natural or synthetic, the customer is looking most for value, say retailers. Private label is increasing its share of the vitamin market. There's been a "20 percent rise in private label in the past year alone," says Ray Hackney, vp pharmacy for Malone and Hyde. He echoes the sentiments of many buyers from chains such as Raley's, Albertson's, Smitty's, Smith Management and Winn-Dixie (Jacksonville, Fla.), who are all quite pleased with private label increases.

Private label lines are being repackaged in a lot of places to look more attractive, even more "natural," such as Malone and Hyde's simulated wood-grain labels.

"Price and availability team up to make private label more attractive," says Gil Harding, GM manager for Associated Grocers of Seattle. "With an expansive section, there's incentive for the consumer to shop around. The availability of good, better, best gives the shopper a chance to experiment. And the consumer who's been buying vitamins for years will usually try private label."

There's still a lot of growth potential in the vitamin category, in these increasingly health-conscious times. "Only one person in six takes vitamins," says Kent Bargelt, vp service merchandise for West Coast Grocers. "That makes the potential in vitamins incredible," he says.

"And as more network advertisers increase the market size, you're going to see more vitamin sales in supers. Supermarket vitamin sales have nowhere to go but up." ■

BY MARY CONTE

GROCERY STORE CONTRIBUTION TO HBA* INCREASES 1982-1981 FOR 10 GROUPS AND SUB-GROUPS

	1982 SALES (000)	1981 SALES (000)	1982-1981 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Total HBA (non-Rx)				
Grocery stores	$ 9,443,020	$ 9,023,801	$ 419,210	33.2%
All outlets	$24,673,940	$23,410,100	$1,263,840	
Cosmetics, Hand Products				
Grocery stores	$ 759,490	$ 671,970	$ 87,520	12.9%
All outlets	$ 4,916,620	$ 4,237,550	$ 679,070	
Deodorants, Anti-Perspirants				
Grocery stores	$ 480,920	$ 421,460	$ 59,460	55.0%
All outlets	$ 926,710	$ 816,600	$ 108,110	
Vitamins, Tonics				
Grocery stores	$ 411,220	$ 313,190	$ 98,030	40.3%
All outlets	$ 1,161,540	$ 918,210	$ 243,330	
Oral Hygiene Products				
Grocery stores	$ 970,970	$ 889,020	$ 81,950	70.2%
All outlets	$ 1,824,350	$ 1,707,530	$ 116,820	
First Aid Products				
Grocery stores	$ 315,590	$ 289,110	$ 26,480	61.7%
All outlets	$ 647,590	$ 604,670	$ 42,920	
Analgesics (internal)				
Grocery stores	$ 650,460	$ 566,970	$ 83,490	45.4%
All outlets	$ 1,479,540	$ 1,295,760	$ 183,780	
Laxatives				
Grocery stores	$ 100,990	$ 93,440	$ 7,550	42.0%
All outlets	$ 462,000	$444,040	$ 17,960	
Shaving Products				
Grocery stores	$ 508,320	$ 470,640	$ 37,680	35.2%
All outlets	$ 1,478,120	$ 1,369,210	$ 108,910	
Hair Products				
Grocery stores	$ 1,284,130	$ 1,186,850	$ 97,280	50.7%
All outlets	$ 3,155,500	$ 2,963,670	$ 191,830	
Infant Feeding Formulas				
Grocery stores	$ 726,600	$ 602,750	$ 123,850	86.0%
All outlets	$ 863,460	$ 719,500	$ 143,961	

*Non-Rx Products Only

Beer

Continued from page 120

Coors has been suffering sales drops lately, but continues to expand. It is now available in 26 states, including Alabama, Florida, eastern Tennessee, Georgia, North Carolina, Virginia and Washington, D.C. Sales here will bring much needed revenue, which in turn can be funneled into areas needing it — the West, for instance. "Until recently," Truitt says, "Coors had never been a strong aggressive marketer. We were Johnny-come-latelys to the marketing game." That, he says has all changed.

Many retailers report that beer sales are not spectacular, and they note that they are being offered many more promotional programs, especially among the lower-priced brands. "Generally," says a spokesperson for Safeway Stores' Eastern Region Division (Landover, Md.), "case sales are up, but dollar volume is about the same, which would indicate a trend toward cheaper beer."

A service merchandiser in the Southwest (who distributes beer) says, though, that while sales of lower-priced beers have increased, often "people are just shopping what's on sale. We've seen growth in a couple of low-priced brands, but we've not seen any slowdown in premiums for the most part." This could imply that people are buying the lower-priced brands because they have to, at a time when money is tight.

Whether these low-priced brands continue to sell well or not, it seems that imports will keep going strong. Since price differences between imports and premium domestic beers aren't often that much (especially when the imports are on special), consumers presumably aren't averse to trading up occasionally for the imports and trading down for domestic beers.

The growing market share that imports are getting can be attributed both to Americans' increasingly sophisticated palates (since imports are generally considered more full-bodied than domestic beers) and also to the heavier advertising given to these beers.

Van Munching & Co., for instance, importer of Heineken and Amstel Light, has substantially increased its advertising this year in print and on radio and television. And Kronenbourg, which was introduced in 1980 and is still being rolled out nationally, has upped its promotional budget considerably, again to gain more space at supermarkets.

For the beer industry as a whole, it seems that there will be a modest growth of between two and three percent a year for the next five years, predicts Anheuser-Busch, in its report for the first quarter of 1983. ■

PEBBLES COCO	1.89
KING SOUR	0.89
WR VEGETABLE	0.49
WR PEAS	0.63
FRZN FD	0.59
2@	0.99
GROCERY	1.98
MR CLEAN TRL	0.39
A&H BAK SODA	0.59
AJAX 14OZ	0.49
FOLGR COFFEE	2.59
CLAM SAUCE	0.89
TOTAL	23.33
TAX-1	0.21
TOTAL	23.33
CASH TND	30.00

SUPERMARKET
BUSINESS
36TH ANNUAL
**CONSUMER
EXPENDITURES
STUDY**
SEPTEMBER 1983

TOBACCO

Sales dropped slightly last year, but not enough to alarm the industry. It was a time of major realignment, with new brands, generics, larger packs . . . and fewer consumers.

It was predicted that 1983 would be tumultuous for the tobacco industry. But after the first eight months of the year, the industry appears to have weathered the storm, and now seems better able to adapt to changes and challenges.

Tobacco consumption for the first half of 1983 dropped only about four percent from a year earlier, according to John C. Maxwell, Jr., whose compilation of industry statistics for Lehman Brothers Kuhn Loeb is the industry standard. "For the year as a whole," he forecasts, "consumption should be down two to four percent."

Not bad, considering some of the problems the industry was facing at the beginning of the year:

☐ The federal excise tax doubled to 16 cents a pack January 1.

☐ Several revenue-hungry states were poised to raise local levies (10 already have).

☐ Generics doubled their market share.

☐ Fewer people were smoking low-tar cigarettes (a product category that had been expanded greatly).

☐ Anti-smoking advocates were lobbying for a toughening of the warning that appears on packages and in advertising for cigarettes.

☐ Societal pressures against smoking in both public and private places were increasing in scope and effectiveness.

The slight decrease in consumption of tobacco last year is better than it might seem, since smokers had to swallow four price increases in 1982 (and another two this year). Average price is about 90 cents, although packs cost over a dollar in many places.

High prices have not ignited generic cigarettes sales. After showing a spectacular doubling of sales to $300 million last year, generics, according to John Maxwell, "are taking a rest." Their 2.5 percent market share in the first quarter of 1983 edged off a hair to 2.4 percent in the second quarter. As the economy continues its recovery, the theory espoused by some hopeful brand marketers—that generics are a "hard-times" choice that is scuttled when good times return—will be tested.

According to Jim Dowd, marketing director for Gary Tobacco Company, manufacturer of 96 percent of the generic and private label cigarettes sold in the U.S., comparisons between the first and second quarter don't mean much. "The excise tax caused many dislocations in shipments," he points out. Dowd feels a more meaningful indicator is the 190 percent increase in *units* of generics sold in the second quarter of 1983 compared to the comparable 1982 period.

Three factors are helping to puff up sales of generics:

(1) Extensions such as menthols and 100s.

(2) Signing on of new distributors or new classes of trade. The appearance of Southland's house brand, for example, should take place in the next 30 days or so.

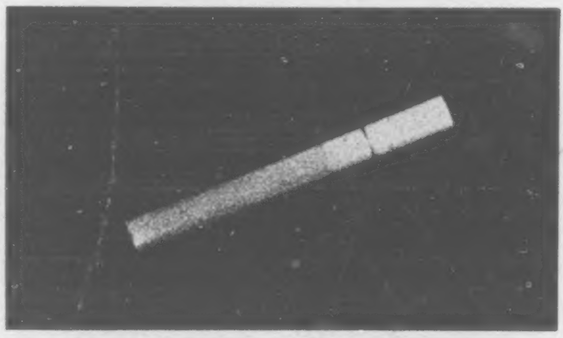
(3) Growth of existing entries in outlets that gave them early distribution.

Dowd isn't worried by his branded competitors' predictions that returning economic prosperity will push smokers of generics back to brands. "We got our trial through price," Dowd says, "but we've kept our customers with a quality that is identical to brands."

If tobacco marketers were understandably running a bit scared earlier this year, their fears did not translate into timidity or caution. Boldness and creativity have been the order of the day. The best example is the fact that both market leaders have identified (or is it *created*?) distinctive psychographic sub-segments of the market and then fashioned new brands for them.

Positioning a new cigarette brand around the concept of *value* is patently revolutionary. But, faced with imminent usurption of its number one position, that's just what R. J. Reynolds did with the introduction of Century. Selling for the same price as other brands, a pack of Century gives 25 smokes instead of the long-standard 20.

A counterploy to generics? Not at all, according to James W. Johnston, executive vice president, marketing and sales, R. J. Reynolds Tobacco Co. "In testing," Johnston recalls, "we saw a low level of response from generic smokers due to their overriding interest in price. Generic smokers seek the absolute lowest price, so they're not a good potential for Century. Our greatest response came from higher-income, higher-education smokers aged 25 and up."



Johnston explains that Century, a *branded* product, is aimed primarily at the value-conscious. "For several years," he explains, "we've seen a broad trend emerging among consumers towards *value*—and not just in the cigarette business, but in such areas as apparel. People started looking for high-quality branded merchandise in order to achieve value, rather than through trading down.

"We've settled on Century as a way to express our response to this trend. Century is the best cigarette we know how to make."

While Reynolds is spending big on promoting its introduction of Century, advertising will be cut back later, thus allowing a profit equal to that for standard packs. "We're not selling Century on the basis of imagery," Johnston says, "so we don't need to reinforce that."

State laws

For any supermarket operators who may wonder why they're not stocking this new brand, the answer most likely lies in their statehouse. In 17 states, tax laws originally written around the standard packs of 20 in effect prohibit an equitable and economically viable taxing of a 25-count package. Reynolds is, of course, working its way through the legislative mazes to change all that, but universal distribution may not be achieved until sometime in 1984.

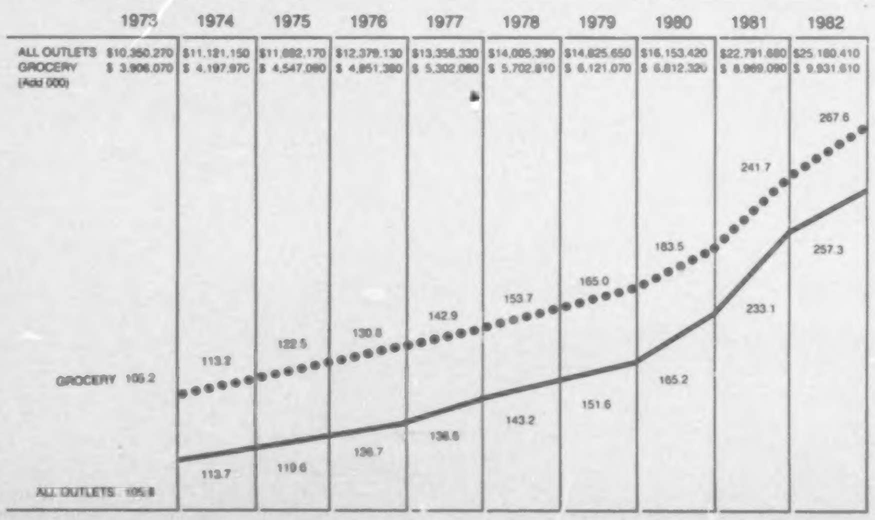
To the degree that the sticky pace of legislative revision may be abetted by Reynolds's competitors, Johnston rejoins, "We did not anticipate that the competition would try to hinder change in these laws. If this demonstrates they're scared to death, that just provides encouragement to us."

The outsized Century package presented a display problem for supermarkets that was quickly solved. On checkout package racks, an additional column can be

Continued on page 127

TOBACCO PRODUCTS

10-YEAR INDEX OF SALES 1972-1982 BASE YEAR—1972 = 100.0%



	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
ALL OUTLETS	$10,350,270	$11,121,150	$11,682,170	$12,379,130	$13,356,330	$14,005,390	$14,825,650	$16,153,420	$22,791,680	$25,180,410
GROCERY (Add 000)	$ 3,906,070	$ 4,197,970	$ 4,547,080	$ 4,851,380	$ 5,302,080	$ 5,702,810	$ 6,121,070	$ 6,812,320	$ 8,969,090	$ 9,931,610

Tobacco

Continued from page 124

added on the end to accommodate Century. Where lack of space makes this impractical, a column adapter allows the extra-wide Century pack to snuggle next to the extra-narrow More package.

The rest of the cigarette marketing pack has for the most part been content to let Century probe the appeal of the value concept on its own. "We'll watch it and see," says Shepard Polack, president of Philip Morris U.S.A. "We've got the capability to do it any time we choose to."

The attempt to court the value-minded with 25-unit packs isn't perceived by Gary Tobacco's Jim Dowd as being very threatening either. "I'd call it more of an end-of-round run than a direct attack," he says. "They're using more of a value-added appeal whereas we're giving permanent day-to-day savings."

Brown & Williamson, on the other hand, will launch Richland, its own 25-count entry next month. Richland will roll out initially in eight states, which account for 20 percent of the present potential market. The king-sized entry will have a non-menthol and menthol version.

The advertising themes, according to Mark Ahearn, B&W's manager of corporate communications, will be "Take 5, America" and "Taste the Good Times 5 Extra Times Per Pack."

Deluxe puffs

Travel 180 degrees around the psychographic circle from *value* and arrive at *deluxe* (a.k.a. luxury). Philip Morris has hoisted the silken deluxe banner with both a noteworthy brand extension (Benson & Hedges Deluxe Extra Lights) and a new brand that breaks the old packaging rules (Players).

"The Players rollout looks particularly successful," John C. Maxwell notes, with the brand picking up a 1.2 percent share in the second quarter. (With each share point valued at $180 million, a product with one-half point is regarded as sustainable.) For the same period Benson & Hedges Deluxe weighed in with a 1.0 percent share.

Packaging design is aggressively used to differentiate both Philip Morris deluxe brands from the competition. Players' black box with gold lettering is a distinctive departure from anything previously found in the tobacco section. The Benson & Hedges Deluxe assert its upper class breeding from a silver box with gold trim.

Philip Morris's Polack feels that the black box itself, together with "perhaps our most successful advertising effort in terms of awareness" proved a winning combination. "The black box was totally novel in this country," he points out. "Perhaps the brand benefited from the identification of black with elegance. And the mixture of glossy and matte black finishes on the pack provided an execution that really delivered."

"I think," says Polack, "that in an environment where consumers are aware of the rapid escalation in the cost of cigarettes we're giving them what they perceive as a super-elegant package at the standard price. In other words *added value*."

Contracting extensions

If the cigarette marketers appear to be igniting unusually imaginative new promotional appeals this year, one explanation may be that line extensions just won't fly anymore. Eight varieties of any cigarette may well exhaust its possibilities.

More important, the movement toward low-tars that accommodated brand extensions has finally faltered. According to Maxwell's count, low-tars (cigarettes with under 15 mgs. of tar) peaked at 61.1 percent of the market in 1982. His figures show the low-tar share contracting from 62.9 percent in the second quarter of 1982 to 59.0 percent in the comparable 1983 period. Ultra-low tars (0 to 6 mgs.) account for one out of six low-tar purchases.

The top-selling free-standing low-tar brand is Philip Morris's Merit, with 4.4 percent of the market.

If nostalgia can sell on Broadway (last season's "hot" composers were Kern, Gershwin and Rodgers), why not at the cigarette counter? And why not to those too young to remember what L.S./M.F.T. meant or which brand you were supposed to walk a mile for?

Enter, or reenter if you will, Lucky Strikes and Camels. Camel Filters were "the second fastest-growing brand" in the second quarter, up almost 12 percent according to Maxwell. (Only Philip Morris's Newport grew faster. A new hard-pack version and a macho-themed ad campaign helped.)

"Lucky Strikes Again" is the keynote of American Tobacco Co.'s biggest new product effort since Carlton in 1964. William J. Moore, American's marketing director, points out that the Lucky Strike name had never been allowed to die. "We had kept selling Lucky 70s, which maintained a 1 percent share with no advertising for the last 10 years—selling primarily to older smokers."

Moore says the new Luckies, which he describes as a "totally new product," are aimed at a broader—that is *younger*—market. "We decided to bring it up to date, so we designed a new filter and package. We put it in a box; two-thirds of young people buy a box."

The gray was also rinsed out of the advertising campaign. Moore says the typical ad shows "a young, successful man who's accomplished something—a job well done." Among the typical jobs well done are catching a marlin, cutting a record in a studio and tuning an old car.

Satin's smooth debut

To cope with the scrappy 1983 cigarette market, Lorillard has come up with an appeal that mates demograhics (women) with psychographics (deluxe).

"Spoil Yourself With Satin," the ad copy reads. "Go ahead. You deserve this Satin moment." The women in the ads all enjoy their Satin moment alone, usually with food and beverage.

"We're positioning this product as an 'affordable luxury,'" says Sara Ridgway, a vice president at Lorillard. "Women today—whether they're homemakers or businesswomen—are very, very busy. They have so much to do that they have little time left for themselves. We're saying "Just take a moment and enjoy Satin cigarettes."

While women represent half the smokers today, before Satin only 11 percent of sales could be claimed by women's brands such as Virginia Slims and Eve.

In order to make the product itself—rather than just its packaging or promotion—unique, Lorillard changed the tipping paper to a satin-filter.

After six months in test market the product had better than a 1 percent share of market according to Ridgway. "We think we have a winner."

Playing the ethnic card

Almost smothered in last place behind the other cigarette producers, The Liggett Group rebounded first with generics (it manufactures 96 percent of them) and is now testing new demographic waters with Dorado

Continued on page 130

Boldness and creativity have been the order of the day in the cigarette industry. Both market leaders have identified distinctive psychographic subsegments in the market and fashioned new brands for them.

Continued from page 127

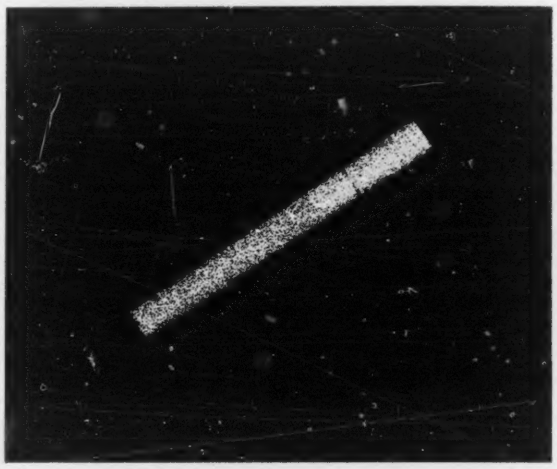
TOBACCO

and L&M Superior. The brands are the first to be developed with substantial research among Hispanics.

Although "both Hispanics and Anglos participated in the development," according to John Franklin, manager, marketing programs for Liggett, the two new brands "are not just for Hispanics. These are *American* cigarettes."

Liggett started its quest toward the Eldorado of new product success two and one-half years ago looking for one new brand but, according to Franklin, "came up with two brands with equal potential." During market research that included focus group sessions with Hispanics, the final package design was whittled down from 36 candidates for Superior and 14 for Dorado.

Along the way Liggett learned a lot about Hispanic smoking preferences. "We didn't find significant taste differences among Hispanics in the Southwest, New York, Miami, Southern California or Chicago," Franklin points out. "Hispanics smoke at about the same rate as Anglos but often opt for a full-flavored brand like Marlboro or Winston."



Franklin observes that the new brands, which weigh in at 14 mgs. ("at the high end of the light category"), complement the current trend back to cigarettes that taste good. "People are switching brands," says Franklin, "as they look around for better flavor, better taste."

New brands complement the current trend back to cigarettes that taste good. "People are switching brands," says a manufacturer, "as they look for better flavor and taste."

As test markets proceed for Superior (in South Texas) and Dorado (in New Mexico), Franklin says, "It's hard to keep them in stock. People are in fact coming into the stores asking for them. We're more than pleased to date with the results."

As the behemoths of the industry do battle with their old brands, new brands and no-brands, they back their proteges with over $1.5 billion (FTC's reading for 1980) in promotion. The weapons of choice include sampling, coupons, non-broadcast media and sponsorship of a grab bag of special events, which range from jazz concerts to dart tournaments.

Both Satin and Players operate on the assumption that if one-pack sampling is good, two-pack sampling is twice as good.

When Lorillard ran ads that offered not only two free packs of Satin to callers of an 800 number but a free satin pouch as well, the response was "phenomenal" says Lorillard's Ridgway. According to AIS 800 Report, a telephone-marketing newsletter, 1.3 million calls were recorded in the first 11 days.

Ridgway says the supply of pouches was quickly exhausted so the cigarettes were sent out with a letter explaining the pouch would follow later.

Dorado and L&M Superior are being promoted with buy-one-get-one-free counter displays. And typical of the ongoing trend towards event sponsorship, Lucky Strikes backs enterprises like the Masters of Hockey, the Elk Grove Lucky Strike American Dream Classic (bowling), a boat race in New York harbor and even a darts tournament.

The trophy that is the number one brand share has been under glass at R.J. Reynolds for 25 years. But Maxwell's figures for the first six months show Philip Morris (34.3 percent) leading Reynolds (31.3 percent) by an imposing three percent.

While both sides contend that the leadership position isn't all that important—it's the bottom line that counts—onlookers feel the battle could heat up before contentious 1983 goes into the record books.

Positioning a new cigarette brand around the concept of value is revolutionary. But that's what R.J. Reynolds did with its 25-pack Century brand, selling for the same price as a regular cigarette pack.

Meanwhile, here's how both sides feel about looking out to be number one:

James W. Johnson—R.J. Reynolds—"More has been made of that issue than is warranted. As a company, our overall objective is that of profitable growth. If we achieve that objective we're likely to be the industry leader. It's not a game that's played out to its end in any 12-month period. I'd rather focus on long term and be the clear leader five years from now."

Sheperd F. Polack—Philip Morris U.S.A.—"I've been telling my people for years that number one is a term subject to a variety of definitions. To me the only number one that matters is leadership in innovation and profits. In that sense we've been number one for a long time. The important thing is not to throw your weight around. Treat the customer and the consumer with the same amount of respect and affection."

With the end of 1983 in sight, a volatile, critical—and even surprising—year for cigarettes is starting to be evaluated. The big news is that the anticipated sales disaster never came to pass, just a gentling readjustment on the order of a four percent drop in consumption.

But what may make 1983 even more significant in retrospect is the degree to which cigarette marketers rallied their creative marketing forces. Rather than run scared, they nervily hit the market with brands positioned to specific psychographic (value and deluxe) and demographic (women and Hispanics) segments.

What's more, they made sure, through innovative new promotional gambits, that an aware and ready audience was waiting for the new brands long before they arrived on supermarket shelves. ■

BY BOB DIETRICH

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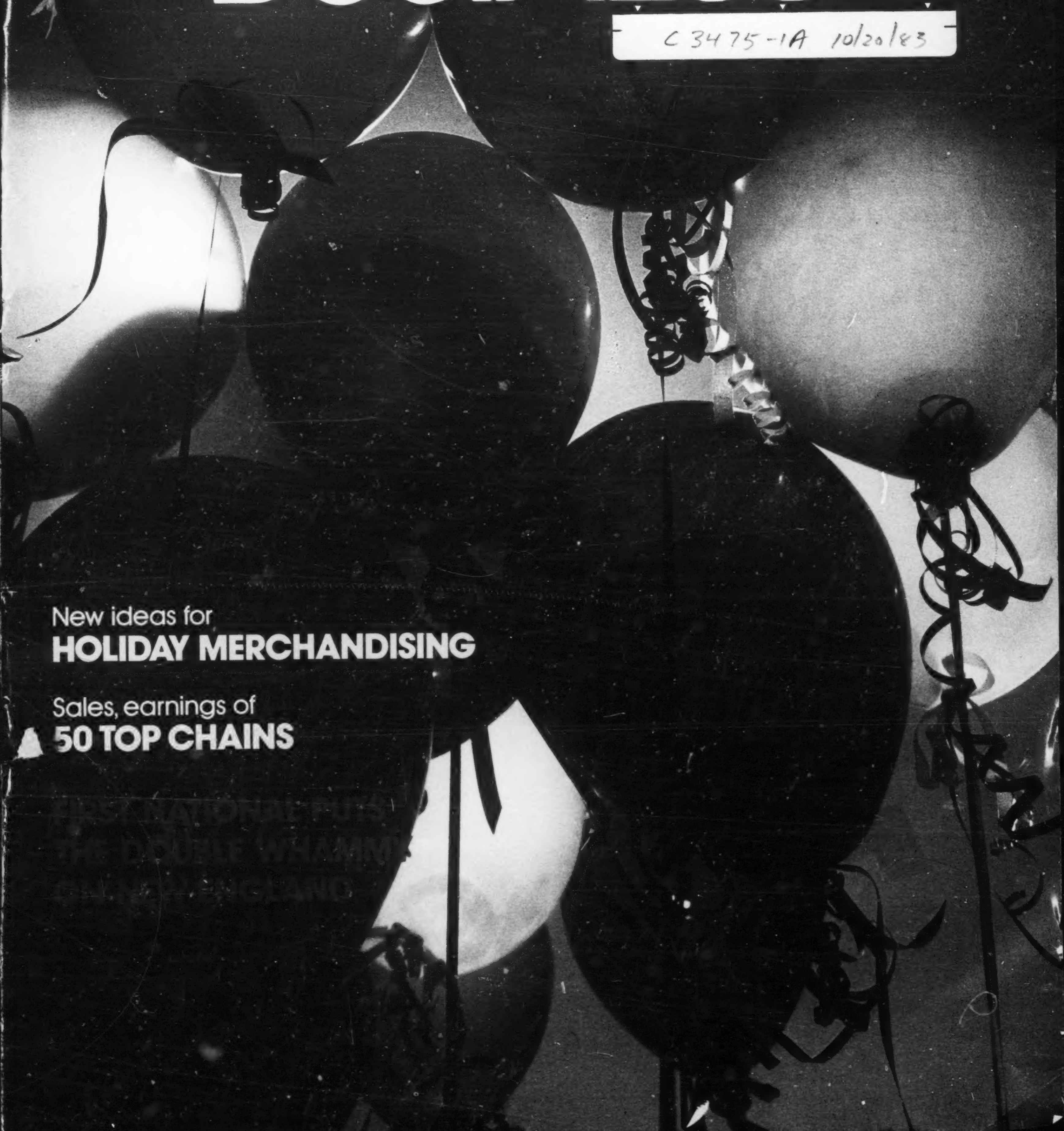

New ideas for
HOLIDAY MERCHANDISING

Sales, earnings of
50 TOP CHAINS

FIRST NATIONAL PUTS
THE DOUBLE WHAMMY
ON NEW ENGLAND

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SUPERMARKET BUSINESS

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PAGE 22
NEW ENGLAND BRACES FOR FIRST NATIONAL'S DOUBLE WHAMMY

Quick question: What kind of store does $1.4 million its opening week and how can it handle all those shoppers? Answer: a store like the new Edwards Food Warehouse in Orange, Conn., which is 73,000 sq. ft. overall. With this store, and its new Finast Super Center in New Britain, Conn., First National is shaking up supermarket retailing—and the New England market—considerably. Question: What happens next?

PAGE 33
TOP 50 CHAINS

Sales were flat for the top 50 chains in general, but there were some standout performers and a lot of turnaround feats by some companies that trimmed their slow-movers considerably.

PAGE 36
TAKING A LOOK AT SUPERMARKET STOCK PERFORMANCES

Although most food chains are expected to post earnings advances this year, Wall Street investors still regard supermarket stocks with some distaste. But as the industry becomes stronger and more profitable, it might be high time for Wall Street to re-evaluate its impression of these stocks.

PAGE 41
NEW IDEAS FOR HOLIDAY MERCHANDISING

It's nothing new to dress up a store at the holiday season—but it's always a challenge to do something fresh. Here's a sampler of some offbeat and festive promotion ideas for the holidays.

PAGE 29
HOW TO DETERMINE THE VALUE OF A BUSINESS

Here's a case study that looks at how to go about assessing the fair value of a business. It's necessary to delve into a company's history fully—and understand its historical, current and prospective performances, both operational and financial.

PAGE 47
NONFOODS BUSINESS SAMI UPDATE: JUNE AND JULY WERE BANNER MONTHS FOR HBA

There continues to be a surge in HBA products at supermarkets; oral hygiene products fared especially well.

PAGE 50
PARTY GOODS

An often overlooked—but potentially profitable—GM area is party goods. They can be tied in to many holiday themes, and can be merchandised for impulse sales.

PAGE 58
JEWEL DIPS INTO THE BULK FOODS BARREL

The normally indifferent Jewel Food stores decides to "join 'em" in giving its suburban Illinois customers a new way to pare food budgets with its recently opened Magna store: bulk barrels and bins offering almost 300 items at a fraction of their prepackaged cost.

OTHER FEATURES AND COLUMNS

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THE 10 BIGGEST GAINERS IN EARNINGS
(Greatest Dollar Increases)
(Add 000)

Chain[1]	Earnings 1982	Earnings 1981	Net Increase in Earnings
Safeway Stores	$159,660	$108,284	$51,376
American Stores	90,371	64,552	25,819
Giant Food	37,213	16,769	20,444
The Kroger Co.	143,758	128,045	15,713
Southland Corp.	108,051	92,860	15,191
Stop & Shop Co.	34,823	24,531	10,292
Albertson's	58,375	48,478	9,897
Winn-Dixie	113,460	104,076	9,384
Supermarkets General	37,693	30,256	7,437
Waldbaum's	16,825	10,376	6,449

[1] Includes only those chains with no reported losses in either year.

THE 10 FASTEST GAINERS IN SALES
(Greatest Percentage Increases)

Chain	Percent Gain in Sales	Sales Rank 1982	Sales Rank 1981
Food Town Stores Inc.	42.0%	19	24
Shop & Go Inc.	19.3	49	—
Southland Corp.	18.3	6	7
Big V Supermarkets	13.2	30	34
Albertson's	13.2	9	10
Village Supermarkets	13.0	45	49
Lucky Stores	11.8	3	3
Pueblo International	11.7	31	35
Penn Traffic	11.2	36	40
Bruno's Inc.	10.1	24	28

—Not shown in 1982 listing

THE 10 FASTEST GAINERS IN SALES
(Greatest Dollar Increases)
(Add 000)

Chain	Sales 1982	Sales 1981	Increase in Sales
Safeway Stores	$17,632,821	$16,580,318	$1,052,503
Southland Corp.	6,782,383	5,734,160	1,048,223
Lucky Stores	7,972,973	7,133,676	839,297
The Kroger Co.	11,901,892	11,266,520	635,372
Jewel Companies	5,571,721	5,107,614	464,107
Albertson's	3,940,117	3,480,570	459,547
American Stores	7,507,772	7,096,590	411,182
Food Town Stores Inc.	947,073	666,848	280,225
Winn-Dixie	7,018,605	6,760,000	258,605
Supermarkets General	3,247,338	2,999,379	247,959

50 TOP CHAINS

THE 10 FASTEST GAINERS IN EARNINGS
(Greatest Percentage Increases)

Chain[1]	Percent Gain in Earnings	Earnings Rank 1982	Sales Rank 1982
Waldbaum	62.0%	16	14
Safeway Stores	47.5	1	
Foodarama	46.3	46	39
Stop & Shop	42.0	12	12
American Stores	40.0	6	4
P&C (Pneumo)	31.0	14	16
Pueblo International	29.8	41	31
Munford Inc.	25.9	28	41
Supermarkets General	25.0	10	11
Hannaford	23.6	25	27

[1] Includes only those chains with no reported losses in either year.
—Not shown in 1982 listing

On an average, sales for 50 top grocery chains were flat in 1982, but a close look shows many standout performers, some turnaround feats by several companies and a number of new records in both sales and earnings.

THE 10 BEST PROFIT MARGINS
(Net Income After Taxes as Percent of Sales)

Chain[1]	1982	1981
Weis Markets	5.32%	5.02%
Shop & Go Inc.	3.21	3.72
Bruno's Inc.	2.50	2.26
Food Town Stores Inc.	2.31	2.90
National Convenience Stores	2.25	1.97
P&C (Pneumo)	2.06	1.65
Giant Food	2.01	1.00
Munford Inc.	1.93	1.68
Winn-Dixie	1.62	1.54
Southland Corp.	1.59	1.62

[1] Includes only those chains with no reported losses in either year.

THE 15 DECLINES IN EARNINGS

Chain	Earnings or Losses (000) 1982 $	Earnings or Losses (000) 1981 $	Net Decline in Earnings (000) $
Pantry Pride	15,489	150,154	−134,665
Allied Supermarkets	14,800	42,800	−28,000
Grand Union	226	24,652	−24,426
Fisher Foods	−176	21,133	−20,957
Jewel Companies	88,109	101,670	−13,561
Star Supermarkets (Martek)	−6,034	1,140	−7,174
Lucky Stores	92,228	95,452	−3,224
Marsh Supermarkets	4,583	7,182	−2,599
Circle K	16,137	18,366	−2,229
Conna Corp.	88	1,632	−1,544
Arden Group Inc.	2,890	4,244	−1,354
Mott's	3,486	4,744	−1,258
Seaway Food Town	4,049	5,203	−1,154
A.J. Bayless	1,481	2,492	−1,011
Sentry (Godfrey)	2,069	2,665	−596

An economic recession, high unemployment and diminishing inflation combined to hold grocery store sales to the lowest percentage sales gain in two decades. Dollar sales incresed only 4.4 percent, just one percent more than the Consumer Price Index for Food at Home.

On an average, the top 50 publicly owned chains were treated more harshly by the economy than grocery stores in general. The group showed a sales increase of only 3.4 percent, which barely kept pace with inflation and, therefore, showed no real growth.

But the average does not reflect the operating results of a typical chain on the list. Thirty-one of the chains showed more than five percent growth in revenues, led by **Food Town Stores Inc.**, with a 42 percent increase.

While the top five chains did not change in sales ranking, the other 45 showed many position changes. Some of these dropped, or gained, dramatically. There was also a marked increase in the number of chains with sales declines, from only three companies in 1981 to 12 in 1982.

A&P (− 26.0 percent) led the list in amount of sales decrease, with a decline of $1.6 billion. Management attributes this sales slowdown to the closing of 527 stores between the beginning of fiscal 1981 and the fiscal end of 1982. A&P dropped in rank from sixth to eighth place.

The biggest percentage sales decline was registered by **Fisher Foods** (− 64.9 percent). This was largely the result of the sale in 1981 of a subsidiary, Dominick's Finer Foods Inc., and to the closing of 10 unprofitable stores in 1982. The change moved Fisher from 15th to 28th place in sales rank.

Safeway was the leader in greatest dollar increase with $1.053 billion (+ 6.3 percent), despite operating 23 fewer units than in 1981. Following with a close second in sales gain was **Southland** with $1.048 billion (+ 18.3 percent) and an increase of 150 stores. Others recording large sales gains were: **Lucky Stores**, $839.3 million (+ 11.8 percent); **The Kroger Co.**, $635.4 million (+ 5.6 percent); **Jewel Companies**, $464.1 million (+ 9.1 percent); **Albertson's**, $459.5 million (+ 13.2 percent) and **American Stores**, $411.2 million (+ 5.8 percent).

Weis Markets was again the leader in earnings, posting a 5.32 percent margin, an increase of 6.0 percent over 1981. Thirty chains reported growth in gross sales and net income in 1982, compared with 31 in 1981. Other leaders in earnings as a percent of sales were: **Shop & Go Inc.** (3.21 percent), **Bruno's Inc.** (2.50 percent), **Food Town Stores Inc.** (2.31 percent and **National Convenience Stores** (2.25 percent).

The number of chains showing declines in earnings increased from 15 in 1981 to 17 in 1982. Among those showing decreased earnings for the second year were: **Grand Union, Star Supermarkets, Arden Group, Inc.** and **A.J. Bayless.**

SALES AND NET INCOME OF 50 TOP PUBLICLY OWNED FOOD CHAINS

(Ranked by Sales Volume)

Rank '82	Rank '81	Company	Fiscal Year	SALES (add 000) 1982	SALES (add 000) 1981	% Change	NET INCOME (add 000) 1982	NET INCOME (add 000) 1981	Net Change (add 000)	% Change	Grocery Stores Operated 1982	Grocery Stores Operated 1981
1	1	**Safeway Stores** (Oakland, Calif.)	1/1/83	$17,632,821	$16,580,318	+ 6.3%	$ 159,660	$ 108,284	+ 51,376	+ 47.5	2,454	2,477
2	2	**The Kroger Co.** (Cincinnati, Ohio)	1/1/83	11,901,892	11,266,520	+ 5.6	143,758	128,045	+ 15,713	+ 12.3	1,199	1,258
3	3	**Lucky Stores** (Dublin, Calif.)	1/30/83	7,972,973	7,133,676	+ 11.8	92,228	95,452	− 3,224	− 3.5	561	541
4	4	**American Stores** (Philadelphia, Pa.)	1/29/83	7,507,772	7,096,590	+ 5.8	90,371	64,552	+ 25,819	+ 40.0	1,027	1,122
5	5	**Winn-Dixie** (Jacksonville, Fla.)	6/29/83	7,018,605	6,760,000	+ 3.8	113,460	104,076	+ 9,384	+ 9.0	1,210	1,222
6	7	**Southland Corp.**[1] (Dallas, Tex.)	12/31/82	6,782,383	5,734,160	+ 18.3	108,051	92,860	+ 15,191	+ 16.4	7,249	7,099
7	8	**Jewel Companies** (Chicago, Ill.)	1/29/83	5,571,721	5,107,614	+ 9.1	88,109	101,670	− 13,561	− 13.3	763	768
8	6	**A&P** (Montvale, N.J.)	2/26/83	4,607,817	6,226,755	− 26.0	31,211	− 101,633	+ 132,844	UP	1,016	1,055
9	10	**Albertson's** (Boise, Idaho)	2/3/83	3,940,117	3,480,570	+ 13.2	58,375	48,478	+ 9,897	+ 20.4	416	412
10	9	**Grand Union** (Cavenham, U.K.) (Elmwood Park, N.J.)	4/2/83	3,519,341	4,137,447	− 14.9	226	24,652	− 24,426	DOWN	610	732
11	11	**Supermarkets General** (Woodbridge, N.J.)	1/29/83	3,247,338	2,999,379	+ 8.0	37,693	30,256	+ 7,437	+ 25.0	121	117
12	13	**Stop & Shop Co.** (Boston, Mass.)	1/29/83	2,341,874	2,168,148	+ 8.0	34,823	24,531	+ 10,292	+ 42.0	120	123
13	14	**Giant Food** (Washington, D.C.)	3/11/83	1,852,134	1,683,881	+ 10.0	37,213	16,769	+ 20,444	UP	130	130
14	16	**Waldbaum's** (Central Islip, N.J.)	1/1/83	1,491,363	1,375,787	+ 8.0	16,825	10,376	+ 6,449	+ 62.0	140	140
15	18	**First National** (Maple Heights, Ohio)	3/26/83	1,267,563	1,201,258	+ 5.5	11,837	− 4,480	+ 16,317	UP	155	164
16	19	**P&C** (Pneumo)[2] (Syracuse, N.Y.)	11/30/82	1,144,821	1,093,611	+ 5.0	23,602	18,027	+ 5,575	+ 31.0	91	91
17	20	**Cullum Co.** (Dallas, Tex.)	6/25/83	1,126,638	1,062,081	+ 6.1	13,854	13,032	+ 822	+ 6.3	132	135
18	21	**Bormans' Inc.** (Detroit, Mich.)	1/29/83	1,000,888	976,940	+ 2.5	7,419	− 3,462	+ 10,181	UP	85	84
19	24	**Food Town Stores Inc.** (Salisbury, N.C.)	1/1/83	947,073	666,848	+ 42.0	21,855	19,317	+ 2,538	+ 13.1	182	141
20	17	**Pantry Pride** (Ft. Lauderdale, Fla.)	7/31/82	945,783	1,209,974	− 27.9	15,489	150,154	− 134,665	DOWN	151	143
21	22	**Weis Markets** (Sunbury, Pa.)	12/25/82	812,215	756,800	+ 7.3	43,241	37,989	+ 5,252	+ 13.8	112	110
22	23	**Circle K** (Phoenix, Ariz.)	4/30/83	747,844	726,793	+ 2.9	16,137	18,366	− 2,229	− 12.1	1,221	1,211
23	26	**National Convenience Stores** (Houston, Tex.)	6/30/83	632,310	617,438	+ 2.4	14,226	12,185	+ 2,041	+ 16.8	1,015	922
24	28	**Bruno's Inc.** (Birmingham, Ala.)	7/2/83	605,000	549,297	+ 10.1	15,100	12,392	+ 2,708	+ 21.9	66	61
25	27	**Allied Supermarkets**[2] (Detroit, Mich.)	6/25/83	582,000	609,000	− 4.4	14,800	42,800	− 28,000	− 65.4	72	75
26	29	**Marsh Supermarkets** (Yorktown, Ind.)	4/2/83	567,956	535,365	+ 6.1	4,583	7,182	− 2,599	− 36.2	222	200
27	30	**Hannaford**[2] (S. Portland, Maine)	1/1/83	559,209	530,151	+ 5.5	7,889	6,383	+ 1,506	+ 23.6	76	73
28	15	**Fisher Foods** (Bedford Heights, Ohio)	1/1/83	524,328	1,492,709	− 64.9	− 176	21,133	− 20,957	DOWN	45	59
29	31	**Harris-Teeter**[2] (Ruddick) (Charlotte, N.C.)	10/3/82	521,759	523,238	− 0.3	9,113	8,726	+ 387	+ 4.4	72	71
30	34	**Big V Supermarkets** (Florida, N.Y.)	12/26/82	516,881	456,448	+ 13.2	7,302	6,439	+ 863	+ 13.4	30	30
31	35	**Pueblo International** (New York, N.Y.)	1/29/83	505,912	452,823	+ 11.7	3,906	3,009	+ 897	+ 29.8	44	42
32	33	**Thriftmart Inc.** (Los Angeles, Calif.)	3/27/83	502,963	505,958	− 0.6	5,045	4,888	+ 157	+ 3.2	41	43
33	32	**Arden Group Inc.**[2] (City of Commerce, Calif.)	1/1/83	494,051	517,029	− 4.4	2,890	4,244	− 1,354	− 31.9	81	87
34	36	**Sentry** (Godfrey) (Waukesha, Wisc.)	2/26/83	485,715	447,136	+ 8.6	2,069	2,665	− 596	− 22.4	48	49
35	37	**Shopwell Inc.** (Bronx, N.Y.)	1/1/83	477,050	433,133	+ 10.1	2,876	1,478	+ 1,398	UP	68	66
36	40	**Penn Traffic**[2] (Johnstown, Pa.)	1/29/83	462,425	415,818	+ 11.2	5,360	2,834	+ 2,526	UP	68	70
37	38	**Seaway Food Town**[2] (Maumee, Ohio)	9/25/82	455,446	428,510	+ 6.3	4,049	5,203	− 1,154	− 22.2	74	70
38	41	**King Kullen** (Westbury, N.Y.)	10/2/82	428,127	410,309	+ 4.3	2,414	1,959	+ 455	+ 23.2	55	55
39	39	**Foodarama** (Freehold, N.J.)	10/30/82	425,961	421,508	+ 1.1	1,153	788	+ 365	+ 46.3	34	37
40	42	**A.J. Bayless** (Phoenix, Ariz.)	1/1/83	383,801	384,038	− 0.06	1,481	2,492	− 1,011	− 40.6	58	58
41	43	**Munford, Inc.** (Atlanta, Ga.)	12/30/82	372,605	338,920	+ 9.9	7,184	5,704	+ 1,480	+ 25.9	959	987
42	44	**Schultz Sav-O Stores** (Sheboygan, Wisc.)	1/1/83	362,464	336,706	+ 7.6	1,301	1,331	− 30	− 2.3	39	38
43	45	**Victory Markets** (Norwich, N.Y.)	1/1/83	322,754	300,859	+ 7.3	2,636	1,012	+ 1,624	UP	90	93
44	46	**Mayfair Super Markets** (Elizabeth, N.J.)	8/28/82	319,462	292,035	+ 9.4	2,171	752	+ 1,419	UP	33	34
45	49	**Village Supermarkets** (Springfield, N.J.)	7/31/82	303,993	268,976	+ 13.0	1,625	1,357	+ 268	+ 19.7	20	20
46	47	**Mott's** (Hartford, Conn.)	1/1/83	293,888	289,343	+ 1.6	3,486	4,744	− 1,258	− 26.5	24	25
47	48	**Star Supermarkets** (Martek) (Rochester, N.Y.)	1/1/83	249,575	281,054	− 11.2	− 6,034	1,140	− 7,174	DOWN	40	41
48	—	**Conna Corp.**[2] (Louisville, Ky.)	5/29/83	229,750	252,210	− 8.9	88	1,632	− 1,544	DOWN	435	434
49	—	**Shop & Go Inc.** (Mango, Fla.)	3/31/83	200,251	167,869	+ 19.3	6,421	6,251	+ 170	+ 2.7	415	405
50	—	**Sunshine-Jr. Stores, Inc.** (Panama City, Fla.)	12/30/82	172,322	178,764	− 3.6	1,782	1,994	− 212	− 10.6	365	361
		TOTAL		**$105,338,934**	**$101,881,794**	**+ 3.4**	**$1,290,177**	**$1,170,028**	**$120,149**	**+ 10.3**	**23,734**	**23,781**

—Not shown in 1982 listing

[1] Number of stores includes 7-Eleven, Gristedes and Charles & Co. only

[2] Total company sales and net income

Continued from page 33

Net income for the group reached 1.22 percent of sales in 1982 compared to 1.04 percent in 1981, an increase of 17.3 percent. **Waldbaum** led the list of the 10 biggest gainers in earnings with a 62.0 percent increase over 1981. It was the first time the company has surpassed 1.0 percent since the late '60s. Management attributed the increased profitability to "improved gross profit margins resulting from continued merchandising enhancements and tighter merchandising controls exerted at store level," plus the reduction of inventories to a LIFO valuation.

Safeway's 47.4 percent gain in earnings was the result of a number of factors, not the least of which was the significant sales increase. Other factors affecting earnings were the absence of a prolonged price war in the Mid-Atlantic region that negatively affected results in 1981, improved sales in the Omaha and Memphis facilities in 1982, achieving parity with competitors in labor costs, and improving productivity.

Although **A&P** dropped 26 percent in sales, fiscal 1982 saw the best net income results since 1970, with profitability in all four quarters. Management attributed this success to three major factors: the elimination of unprofitable operations, such as the closing of the food processing facility in Horseheads, N.Y.; the implementation of cost control measures and improved marketing and merchandising progress at store level. Plans for 1983 call for concentrating on running conventional supermarkets with the decision to close the 25 Plus discount grocery stores and the signing of a letter of intent to acquire the Kohl's Food Stores chain from Batus Inc. (Milwaukee). Kohl's operates 63 supermarkets, six beverage stores, four drug stores and three retail bakeries in Wisconsin. The 29 Kohl's department stores are not included in the sale.

For **The Kroger Co.**, sales rose 5.6 percent and net earnings increased 12.3 percent in the fiscal year ending January 1, 1983. The company disposed of its 65 Market Basket stores in southern California and concentrated, in its new facilities, on combination stores, now numbering 237. Of the 101 stores opened in 1982, 58 were combination stores and 19 existing stores were enlarged to the combo format. Kroger closed 95 food stores in 1982, leaving the company with 1,199 facilities,

TOP 50 CHAINS

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59 less than when the year began. Perhaps the most significant move that The Kroger Co. made in 1982 was the merger with Dillon Companies, completed in January, 1983. Dillon adds 219 supermarkets and 352 convenience stores to the existing Kroger facilities.

For the first time in history, **Southland** posted total revenues of more than a billion dollars in a single year, while net earnings topped $100 million, also a new record. The company operated 4,327 corporate 7-Eleven Stores, 2,838 franchised units, 67 Gristede's and 17 Charles & Co. sandwich shops and gourmet stores at the end of 1982. Southland, which operates more stores than its next seven competitors, has opened over 2,300 new 7-Eleven stores since 1978, adding 434 new units in 1982 alone. Self-serve gasoline is offered at 2,827 7-Eleven locations. In 1982, gallonage was up over 20 percent to 1,156 billion gallons, making Southland the largest independent retailer of gasoline in the United States. The company also operates The Dairies Group, which distributes dairy products in 50 states, and Chief Auto Parts with 273 retail stores.

In 1981, 20 percent of stores in the 50 Top Chains list were lost as chains closed unprofitable units. In 1982, the number of closings was barely 1 percent. The number of stores remained constant.

Store count stays fairly constant

One of the greatest changes in the statistics of the 50 Top Chains was the number of stores category. In 1981, the list lost 20 percent of its stores as chains closed unprofitable units. In 1982, the number of closings was barely one percent. The majority of chains remained fairly constant in number of stores, while the increase in convenience store openings helped to make up for closings in some chains.

If there is one pervasive note in the future planning of the 50 Top Chains, it is the commitment to meeting the changing needs of the American consumer. The plans vary from chain to chain, and include remodeling programs, more services, expanded product mix, more combination food/drug outlets, refinement of store formats and other innovations tailored to the particular needs of given communities. But all agree that future growth depends on the development of stores that respond to today's consumer attitudes. ■

TAKING A LOOK AT SUPERMARKET STOCK PERFORMANCES

BY NORMAN BUSSELL

Most food chains are expected to post earnings advances this year, but Wall Street still regards supermarket stocks with a slight distaste. But as the industry changes and becomes financially stronger, it might be time for Wall Street to re-evaluate its impressions of supermarket stock investment opportunities.

The Wall Street investment community normally regards the stocks of supermarket chains as something less than glamorous. This is in part because of the seemingly low profit return of supermarkets as a percentage of sales. However, if these profits are viewed in terms of return on investment, they are often as substantial as most other industries. Supermarket operators, themselves, protest too much about low profit margins, perhaps, and thereby contribute to the seemingly lackluster potential of supermarket chains as investment opportunities.

Among knowledgeable investment analysts there are signs that these old-time prejudices are changing, but among many others they still exist. In the words of one chain president who recently attended a gathering of security analysts, "It was difficult to make an impression on these people that our new store formats, which are generating truly enormous sales volumes by any standard, represent a revolution in our business. They just didn't understand."

And yet, most food chains are expected to post earnings advances in 1983, according to The Value Line Investment Survey. The September 2 report looks for most of these gains to occur in the second half. During the first six months of 1983, most companies registered only modest profit increases on slight sales gains.

Although Value Line believes that next year's expected stronger economy will make for very solid gains, they feel that the relative performance of grocery stocks could grow weaker in coming months. As good as food chains' earnings reports are exptected to be, they will probably look less exciting compared with reports by cyclical companies rebounding from the recession.

The grocery industry was not treated more severely by the recession than business in general, but it did not come through the period without scars. As unemployment rose, reaching its highest level toward the end of 1982, consumer spending fell, with the worst examples appearing in the hardest-hit regions, such as the industrial Midwest.

While our economy continues to improve, the most important factor in supermarket growth is still unemployment. The return to more normal numbers is slow, but the trend seems to be definite. Consumer confidence will rise with increasing employment and this better mood should be reflected in food store sales soon.

Expansion plans

As chains strive for greater profitability, a hard, unemotional look is directed at unprofitable stores, and many of these units are being closed to free funds and effort for more promising expansion. Many companies have also managed to obtain approval of contracts that will keep wage increases from outpacing revenue gains, a condition that took its toll on many supermarkets in the late Seventies. With the addition of scanning and energy-saving equipment by most major chains, the prospects for further savings in inventory, labor, and energy costs are good.

Value Line sees the additional super stores that will be built over the next several years as the most important factor for increased profits in the near future. Value Line feels that the increases, not only in numbers, but also in the product mix of high-margin food and non-food products, and possible services, make prospects for better margins and higher return on equity appear excellent.

For year-ahead market performmance, three supermarket stocks were rated 1 (Highest) by Value Line in its September 2 report: American Stores, Stop & Shop, and "rebounding but risky" A&P. Ranked 2 (Above Average) were: Bruno's Inc., First National, Giant Food, Lucky Stores, Supermarkets General, Weis Markets, and Winn-Dixie. Also ranked Above Average were two convenience store operators: Munford Inc. and National Convenience Stores.

American Stores, with the highest sales of the top-ranked stocks, has operations extending from the Atlantic seaboard to the Pacific coast. Its subsidiaries are engaged primarily in the operation of combination food/drug stores, drug stores and retail food stores. Principal subsidiaries include: Acme Markets Inc., Alpha Beta Company, Rea and Derick Inc. and Skaggs Companies Inc. As of January 29, 1983, the company operated 1,027 retail stores in 28 states in the West, Midwest, Mid-Atlantic and Southwest regions.

American Stores' profits are expected to climb 20-25 percent in 1983 to about $3.30 per share as margins continue to react favorably to tight cost controls, closing of less profitable Acme Markets and increasing productivity.

Strong outlook

Outlook for 1984 is for another strong year with plans for opening about 25 new combo stores. Since combo stores carry more high margin general merchandise, including drugs and small appliances, in addition to food, margins will probably keep expanding. Value Line believes share earnings will grow another 20 percent in 1984 to about $3.95 and that the stock should outperform the market over the next 12 months.

American Stores feels that the combos will be its store of the Eighties, and plans to build many more of these large food/drug units throughout the Western and Sunbelt states. With the improvement of American Stores' earnings, it will probably be able to finance most of its capital needs internally. Value Line feels that the stock's three-to-five year prospects are above average and that investors may assign the stock a P/E ratio well above historical levels.

The Stop & Shop Companies Inc. is a diversified retailer, operating 120 supermarkets, 106 Bradlees department stores, 50 Medi Mart drug stores, 53 Perkins tobacco shops and 72 Off the Rax women's specialty shops, as well as the Stop & Shop Manufacturing Company.

Bradlees supplied the major thrust in operating profits, with a huge increase of 350 percent in the May period, contributing to the 91 percent gain in corporate earnings. Total sales gain was 29 percent as apparel, home entertainment and sporting goods posted the strongest year-to-year sales gains. These results were achieved in spite of the costs of opening six new stores and a distribution center.

Eleven additional Bradlees stores were opened during the

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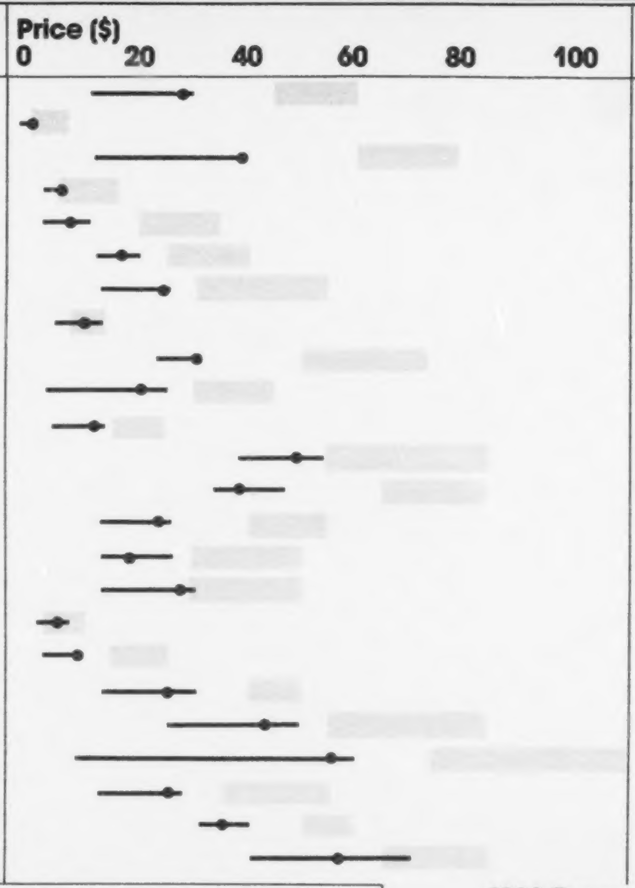
How Some Top Publicly Owned Food Chains Performed

Source: The Value Line Investment Survey, Edition 10, September 2, 1983



Company	P/E Ratio	Earnings Yield (%)	Dividend Yield (%)
Albertson's[2]	12.2	8.2	2.6
Allied Supermarkets	27.7	3.5	Nil
American Stores	10.0	10.0	1.8
Arden Group Inc.	11.7	8.6	Nil
Borman's Inc.	7.8	12.8	Nil
Bruno's Inc.[2]	18.6	5.4	1.3
First National	6.9	14.5	1.4
Fisher Foods	*	*	Nil
Food Town Stores Inc.[2]	23.6	4.2	0.3
Giant Food	8.4	11.9	2.6
A&P	14.0	7.2	Nil
Jewel Companies	8.6	11.6	5.1
The Kroger Co.	10.3	9.7	4.7
Lucky Stores	9.2	10.9	5.8
Munford Inc.[2]	9.0	11.1	2.9
National Convenience Stores[2]	16.2	6.2	2.2
Pantry Pride	18.8	5.3	Nil
Pueblo International	9.6	10.4	1.8
Safeway Stores[2]	7.7	13.0	5.6
Southland Corp.[2]	14.7	6.8	2.0
Stop & Shop[2]	12.0	8.4	1.4
Supermarkets General[2]	9.8	10.2	1.5
Weis Markets[2]	16.2	6.2	1.6
Winn-Dixie	11.8	8.4	4.6

1983 Range[1]
Low Last High

Value Line Projected Range 1986-1988

[1] Ending September 16, 1983. *No meaningful figure

[2] Yearly price range adjusted from old stock to reflect split or stock dividend of 25 percent or more

SUPERMARKET STOCK PERFORMANCE

Continued from page 36

August period in the Washington D.C. area, which is a new market for the Bradlees name. Because of these start-up costs, and the fact that a distribution network did not already exist, Value Line expected August-quarter earnings to be about even with year-earlier results. June sales, however, were unusually strong, and Bradlees will probably register a modest profit gain in this period.

Stop & Shop's strategy of replacing its least profitable stores with 50,000 square-foot super stores is proving to be a successful concept. The new super stores, offering prescription drugs, an instore bakery and appliance departments, contributed to the eight percent year-to-year grocery sales increase for the May quarter and the healthy 30 percent rise in operating profits.

Value Line expects full-year earnings for Stop & Shop to be 30 to 35 percent ahead of 1982 and continued solid profit growth is predicted for the three-to-five-year period.

The **A&P** approach to financial stability might be compared to an Oriental martial arts theory of "yield to win." Closing 527 unprofitable stores during 1981-1982 and giving up almost $2.4 billion in sales over the two-year period, fiscal 1982 saw A&P achieving its best net income results since 1970, with profitability in all four quarters. During fiscal 1983, the company will continue its philosophy of closing marginally profitable stores by phasing out its 25 Plus discount grocery stores, a no frills concept that is successful in Europe, but that has never been accepted by American consumers.

But A&P has made it clear that its goals for expansion can also be reached via the acquisition route, through its agreement to purchase the Kohl's Food Stores, a 63-unit Wisconsin chain.

This year, A&P has shown excellent first-quarter results, with share earnings up 50 percent on an 11 percent sales gain. Value Line feels that A&P will enjoy an even more profitable year in 1983 than in the previous year.

Coming out of Chapter XI just as the country enters a recession is about equal to a man on crutches being hit by a truck. For **Allied Supermarkets**, the fiscal year ended June 15th, 1983, was its toughest period since emerging from Chapter XI in October 1981. With about one-third of its stores located in economically depressed Michigan and a rise in unemployment in its Oklahoma market areas, both sales and profit margins declined. Hampered by one of the highest wage costs in Michigan and competing with A&P's price cutting in the Detroit area, Allied may expect weak profits to continue into fiscal 1984. The Investment Survey feels that the stock will do well to keep pace with the market averages over the next 12 months and, although Allied has operated profitably since 1980, "weak finances and the stock's volatility suggest that these shares are suitable only for the most speculative of investors."

Since it emerged from Chapter XI in 1981, **Pantry Pride**'s efforts to return to financial stability seem to point in the direction of acquisition, either as a buyer or a seller. Armed with over $300 million in tax loss carry-forwards, the company is actively seeking to take over a highly profitable operation against which the tax credits could be applied. Management might even invest in a business outside of the supermarket industry. It is also reasonable that Pantry Pride itself might be acquired because of the attractiveness of its $300 million in tax credits.

Value Line believes that Pantry Pride had a satisfactory performance in fiscal 1983, in view of the increased competition in its operating areas, but it considers the stock "inappropriate for all but extremely speculative investors." The reason for this evaluation is that the shares' performance over the next few months will be greatly influenced by acquisition announcements.

In analyzing stocks for investment, market analysts must consider the variables a business can't control as well as those that it can. A business has no control over unemployment, international politics, price inflation, or interest rates. But it can often direct its own destiny in increasing productivity, energy savings, competitive reaction time, store formats, and more profitable mix.

The future of a company's shares are often weighed quite heavily against its ability to control factors that can contribute to its growth and profitability. A&P, for example, may have found the answer to lower labor costs in its Philadelphia division. By letting employees share in the profits in return for lower wages, the chain is enjoying much lower labor costs.

Successful new store formats can also influence investors in supermarket stocks. Those companies that have experimented with super stores and increased their profits through an expanded product mix of prescription drugs, appliances and general merchandise are planning to build more of these one-stop shopping centers. The prospects for share appreciation become attractive to investors.

A simple variation in product presentation might seem mundane when millions of dollars are spent each year for new product introductions. But, once in a while, a return to the "good old days" can provide more than just an indulgence in nostalgia. Many chains have found the promotion of bulk foods to be a highly profitable venture. Some supermarkets offer more than 200 of these unpackaged items and report excellent sales increases. The earnings picture for those chains is enhanced by the addition of these profitable "new products." The operator who is not afraid to try something new, might also benefit from not being afraid to try something old.

The supermarket industry is undergoing greater basic change than at any time in the past 30 years. This could mean that it is time for Wall Street to update its impressions of the potential for supermarket stocks as investment opportunities. ■

NonFoods BUSINESS

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 4/29/83	4 WEEKS ENDING 5/27/83	4 WEEKS ENDING 7/22/83
BABY NEEDS	**+ 3.9%**	**- 4.3%**	**- 0.4%**
Baby Powders	+ 6.1	-10.4	-10.2
Baby Oils, Creams & Lotions	+ 3.3	- 6.7	+ 2.3
Infant Clothes	+ 2.6	- 5.3	- 8.0
Nursing Supplies	+ 3.8	+ 4.1	+ 6.1
DEODORANTS	**+ 2.8%**	**+ 1.9%**	**+ 9.3%**
Sprays	+ 4.0	- 0.7	+ 0.3
Roll-On	- 5.6	- 0.4	+ 8.4
Stick Deodorants & Pads	+10.0	+ 2.8	+24.5
Creams	- 1.5	- 0.7	+ 2.5
Deodorants & Talcum Powders	+ 2.6	+10.0	+ 5.6
Feminine Hygiene Deodorants	- 5.7	± 0.0	+ 1.2
Foot Deodorants & Athlete's Foot Remedies	+ 0.7	- 1.5	+ 8.0
FIRST AID	**+ 7.9%**	**+ 9.7%**	**+ 6.0%**
Antiseptics	+11.6	+ 7.5	+ 5.3
First Aid Products	+ 6.9	+10.3	+ 6.3
HAIR CARE NEEDS	**- 1.6%**	**- 0.9%**	**+ 5.0%**
Shampoos	+ 0.1	+ 2.7	+10.3
Hair Sprays	+ 2.6	+ 1.0	- 0.9
Hair Conditioning Rinses	- 9.5	-11.0	- 1.7
Hair Setting Needs	+ 5.5	+ 3.3	+22.0
Home Permanent Kits	-11.5	- 3.1	- 8.5
Hair Coloring	- 2.3	- 3.1	- 1.2
Hair Dressing Needs	+ 0.9	+ 1.0	+ 4.8
ORAL HYGIENE	**+ 2.4%**	**+ 4.9%**	**+14.3%**
Toothpastes & Powders	+ 0.9	+ 2.7	+21.1
Mouthwashes	+ 4.6	+ 7.3	- 3.6
Breath Fresheners	+ 0.6	+ 9.3	+13.1
Denture Cleaners	+ 7.9	+ 6.8	+11.6
Denture Adhesives	- 1.9	- 0.1	- 2.2
Toothbrushes	+ 6.7	+15.4	+ 6.5
PROPRIETARY REMEDIES	**+ 8.0%**	**+ 7.7%**	**+ 5.7%**
Antacids	+ 6.8	+ 3.5	+ 5.7
Internal Analgesics	+ 9.3	+ 9.2	+12.8
External Analgesics	+11.4	+ 7.7	- 0.3
Cold Tablets	+10.9	+10.6	+10.6
Nasal Sprays—Drops—Inhalers	- 1.6	+ 0.2	- 0.7
Chest Rubs	+ 4.7	+ 3.7	- 8.1
Cough Remedies	+ 8.3	+10.5	-11.3
Laxatives	+10.1	+ 8.4	+ 6.0
Sleeping Aids	+ 7.4	+ 7.0	+ 6.8
Tranquilizers	-23.5	-26.7	-12.3
Vitamins	+ 1.0	+ 4.8	+ 6.0
Eye Care Products	+ 8.0	+12.0	+15.2
SHAVING NEEDS	**+ 5.6%**	**+ 1.5%**	**+ 6.9%**
Shaving Creams	+ 7.0	+11.7	+17.2
Pre-Shave Lotions	- 5.9	- 4.2	+ 2.5
After-Shave Lotions	+ 2.9	- 3.1	- 0.4
Razor Blades	+ 5.9	- 1.0	+ 4.7
Razors & Blades	- 8.4	-15.8	-10.2
SKIN CARE AIDS	**- 4.8%**	**- 4.3%**	**+ 8.3%**
Hand & Body Creams & Lotions	- 8.9	-10.3	+ 5.1
Facial Preparations	+ 9.0	+10.4	- 1.1
Lip Care Products	+13.9	+ 9.5	+39.6
Suntan Lotions & Oils	-26.2	-20.1	+14.0
Cosmetic & Medicated Skin Aids	+ 0.2	- 0.4	+ 8.6
TOTAL ALL CATEGORIES	**+ 3.5%**	**+ 3.4%**	**+ 7.8%**

percent for baby powders and 8.0 percent for infant clothes. July gains came to 2.3 percent for baby oils, cream and lotions and 6.1 percent for nursery supplies. On a 52-week sales basis, only nursery supplies is in the plus column among these four baby needs categories.

For the first time in a while, all of the seven deodorant categories that SAMI monitors had unit movement gains comparing July reporting periods. The focal point of attention from the standpoint of new brand and item proliferation is still among stick deodorants, where antiperspirant as well as deodorant protection is now part of the promise to purchasers. Spray deodorants were ahead only .3 percent but this trivial gain was on top of a strong period a year ago when new Impulse body sprays were putting new vigor into this category, which had not yet recovered from the fluorocarbon ozone depletion controversy. There were three additional deodorant product categories that had experienced 52-week unit loss rates but that moved into plus territory as of the period ending July 22: roll-on deodorants (+ 8.4 percent) cream deodorants (+ 2.5 percent) and feminine hygiene deodorants (+ 1.2 percent).

First aid products have been consistently in the ascendant. However, the most recent gain rates of 5.3 percent for antiseptics and 6.3 percent for first aid products are below those of recent months.

Hair cares

July volume for hair care needs advanced 5 percent despite the fact that in four out of seven product categories there were declines in unit volume: home permanent kits (-8.5 percent), hair conditioning rinses (-1.7 percent), hair coloring (-1.2 percent) and hair spray (-0.9 percent). Strong performance for shampoos (+ 10.3 percent), representing a four-week increase of more than two million units, was responsible for the multi-category increase.

In the strong oral hygiene product group there were two categories with declines: mouth wash, off 3.6 percent, and denture adhesives, down 2.2 percent. The big news for July was a gain of five million units in the case of Crest, where a highly successful free goods promotion (one free with three) paid off handsomely. Denture cleaners also had a double-digit gain, advancing 11.6 percent during the July period.

The proprietary remedy product group had five categories with four-week unit volume losses, but the only one with important sales volume was cough remedies, where sales declined 11.3 percent or nearly 850,000 units. Cold tablets had a gain of 10.6 percent whereas there were losses of 8.1 percent for chest rubs and 0.7 percent for nasal sprays, drops, inhalers. Internal analgesics (+ 12.8 percent) were helped by the rebirth of Datril and the national introduction of Sterling Drug's Panadol. The gain in this category compares with one of the strong periods a year ago preceding the Tylenol poisoning scare.

The shaving needs product group advanced 6.9 percent in four-week unit volume during the period ending July 22, 1983. The highest volume category, razor blades, showed a gain, following two 4-week loss periods. Annual sales of razor blades only 2.7 percent, but within the category the important disposable systems class exhibited a unit sales gain of over 20 percent.

Shaving creams continue to show growth. Some of the increased volume has come from new Soft Shave while among established brands, the pacesetters are Colgate and Barbasol. During the July reporting period there were unit losses among after shave lotions (-0.4 percent) and razor sets (-10.2 percent).

Finally, in July, skin care aids, as a product group, has been able to enjoy a gain for the first time in several months.

So far, 1983 is turning out to be a strong sales year for most health and beauty aid categories. A continuation of the upward trend during the remaining five months will be welcome news to manufacturers and retailers alike. ■